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Addressing the Incoherency of the Preemption Provision of the Copyright Act of 1976

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Addressing the Incoherency of the Preemption Provision of the Copyright Act of 1976

*Joseph P. Bauer**

ABSTRACT

Section 301 of the Copyright Act of 1976 expressly preempts state law actions that are within the “general scope of copyright” and that assert claims that are “equivalent to” the rights conferred by the Act. The Act eliminated the previous system of common law copyright for unpublished works, which had prevailed under the prior 1909 Copyright Act. By federalizing copyright law, the drafters of the statute sought to achieve uniformity and to avoid the potential for state protection of infinite duration.

The legislative history of § 301 stated that this preemption provision was set forth “in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation . . . and to avoid the development of any vague borderline between State and

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Federal protection.” In fact, this goal has never been realized. Instead, there are literally hundreds of federal and state decisions interpreting this provision, which can charitably be described as inconsistent and even incoherent. And, despite the plethora of court of appeals decisions that have overruled district court decisions, and/or that have contained strong dissenting opinions, the U.S. Supreme Court has never decided a case under § 301. In short, it would not be an overstatement to describe this important provision in the Copyright Act as a “legislative failure.”

This Article first reviews the background of the 1909 and 1976 Acts, including the rationales for copyright protection and the role played by the preemption provision in advancing those goals. This Article canvasses extensively the judicial treatment of § 301, including detailed critiques of many of these decisions. This Article also examines the constitutional aspects of preemption, including the role played by the Supremacy Clause. Most importantly, this Article seeks to provide ways to advance the original goal of the drafters of § 301, of federalizing copyright law, and of affording consistent interpretation of the preemption provisions. This Article continually returns to first principles—the goals of the drafters—and uses them to argue for expanded preemption of many state law claims.

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The legislative history of the Copyright Act of 1976 (the 1976 Act, the Copyright Act, or the Act) states that:

The intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law. The declaration of this principle in section 301 is intended to be stated *in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation* of its unqualified intention that Congress shall act preemptively, and to *avoid the development of any vague borderline areas between State and Federal protection*.¹

Boy, did they get it wrong! The authors of § 301 of the 1976 Act² asserted that they had drafted a provision, delineating the scope of the displacement of state law by this new copyright statute, which would afford predictability and certainty to the preemptive reach of the Act. Instead, in the quarter-century-plus since the Act became effective in 1978,³ there have been literally hundreds of federal and state court decisions in which courts have been required to apply and interpret this statutory provision. The uncertainty about the scope of preemption is highlighted not simply by these numbers, but by the fact that, in particular, the appellate decisions have not infrequently

1. H.R. REP. NO. 94-1476, at 130 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5746 (emphasis added).

2. Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101-810 (2000)).

3. 17 U.S.C. § 301(a) (2000) (specifying January 1, 1978, as the date on which the statute's preemptive provisions begin to apply).

overruled the trial court's conclusion on preemption,⁴ and/or have contained concurring and dissenting opinions on this supposedly "clear" issue.⁵

4. As examples of such decisions, see *Toney v. L'Oreal USA, Inc.*, 406 F.3d 905 (7th Cir. 2005); *Grosso v. Miramax Film Corp.*, 383 F.3d 965 (9th Cir. 2004); *Dunlap v. G&L Holding Group, Inc.*, 381 F.3d 1285 (11th Cir. 2004), *amended by* 400 F.3d 658 (9th Cir. 2005); *Carson v. Dynegy, Inc.*, 344 F.3d 446 (5th Cir. 2003); *Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc.*, 307 F.3d 197 (3d Cir. 2002); *Sturdza v. United Arab Emirates*, 281 F.3d 1287 (D.C. Cir. 2002); *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir. 2001); *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446 (6th Cir. 2001); *Orson, Inc. v. Miramax Film Corp.*, 189 F.3d 377 (3d Cir. 1999) (en banc); *Alcatel USA, Inc. v. DGI Techs., Inc.*, 166 F.3d 772 (5th Cir. 1999); *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997); *United States ex rel. Berge v. Bd. of Trs. of Univ. of Ala.*, 104 F.3d 1453 (4th Cir. 1997); *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996); *Nat'l Car Rental Sys., Inc. v. Computer Assocs. Int'l, Inc.*, 991 F.2d 426 (8th Cir. 1993); *G.S. Rasmussen & Assocs., Inc. v. Kalitta Flying Serv., Inc.*, 958 F.2d 896 (9th Cir. 1992); *Valente-Kritzer Video v. Pinckney*, 881 F.2d 772 (9th Cir. 1989); *Acorn Structures, Inc. v. Swantz*, 846 F.2d 923 (4th Cir. 1988); *Ehat v. Tanner*, 780 F.2d 876 (10th Cir. 1985); *Kabehie v. Zoland*, 125 Cal. Rptr. 2d 721 (Cal. Ct. App. 2002) (reversing as to certain claims being preempted, affirming as to others); *KNB Enters. v. Matthews*, 92 Cal. Rptr. 2d 713 (Cal. Ct. App. 2000); *Green v. Hendrickson Publishers, Inc.*, 770 N.E.2d 784 (Ind. 2002); *Editorial Photocolor Archives, Inc. v. Granger Collection*, 474 N.Y.S.2d 964 (N.Y. 1984).

There is not even any consistency to the direction of these reversals. In *Toney*, *Dunlap*, *Grosso*, *Carson*, *Dun & Bradstreet*, *Sturdza*, *Downing*, *Wrench*, *ProCD*, *National Car Rental*, *G.S. Rasmussen*, *Valente-Kritzer*, *Acorn Structures*, *Kabehie*, and *KNB*, the appellate courts held that the lower courts had erred in concluding that the state law claim *was* preempted; in the rest of the cases listed above, the appellate courts found error in *not* applying preemption. Indeed, in *Toney*, the court of appeals had first affirmed the district court's decision, 384 F.3d 486, 492 (7th Cir. 2004), and then, upon rehearing, the panel vacated its original decision and reversed the district court, 406 F.3d at 907. *See also* *Stromback v. New Line Cinema*, 384 F.3d 283, 301-07 (6th Cir. 2004) (concluding that district court erred in finding that claim for misappropriation of trade secrets was preempted, but affirming dismissal on other grounds); *Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 309-10 (2d Cir. 2004) (affirming with respect to certain preemption findings, and vacating and remanding other preemption findings); *Rodrigue v. Rodrigue*, 218 F.3d 432, 442-43 (5th Cir. 2000) (affirming district court's conclusion of no § 301 preemption, but reversing conclusion that federal law of ownership, under § 201, overrides state law regarding community ownership of copyrights pursuant to "conflict preemption" doctrine), *cert. denied*, 532 U.S. 905 (2001); *Rosciszewski v. Arete Assocs., Inc.*, 1 F.3d 225, 229 n.3 (4th Cir. 1993) (affirming with respect to one preemption issue, but stating that "the ruling of the district court that all of the state-law claims alleged by [plaintiff] . . . were preempted is obviously erroneous").

Perhaps most remarkably, in *Computer Associates International, Inc. v. Altai, Inc.*, the district court first concluded that the plaintiff's state law claim was *not* preempted; after the case was reassigned to another district court judge, that judge concluded that the claim *was* preempted. 982 F.2d 693, 715-16 (2d Cir. 1992). On appeal, the Second Circuit initially upheld the latter ruling, agreeing that the claim *was* preempted; however, upon rehearing, that opinion was withdrawn and the court of appeals concluded that the claim *was not* preempted. *Id.* at 716-17. So much for "foreclos[ing] any conceivable misinterpretation"!

5. *See, e.g., Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1335-38 (Fed. Cir. 2003) (Dyk, J., concurring in part, dissenting in part) (disagreeing with the portion of the majority opinion finding that the contract claim was not preempted); *Foad Consulting*

Both the extent and the practical effect of the incoherency of the preemption doctrine⁶ are exacerbated by the fact that, while federal courts have exclusive subject matter jurisdiction over copyright claims,⁷ it is the state courts that have primary jurisdiction to hear state law claims. While these actions may often be brought in federal court—either based on diversity of citizenship or as supplemental to copyright claims also asserted by the plaintiff—a large number of these potentially preempted claims are brought in the state courts. Those courts have both less experience in applying a federal statute like the Copyright Act and a diminished interest in recognizing the primacy of a federal regime displacing state law. These considerations, coupled with the significant divergence of results that one would expect from courts in fifty different jurisdictions and the lamentable fact that the Supreme Court has never heard a case under § 301, either from a state or a federal court, only contribute to the problem.

In Part I, this Article will review the situation under the prior regime, established by the Copyright Act of 1909,⁸ which provided for alternative state and then federal protection for copyrightable materials, as well as the concerns that led Congress, in 1976, to opt for virtually total displacement of state copyright protection. This Part will then describe the justifications for affording copyright protection for certain works of authorship, and the reasons for imposing limits on that protection. This is followed by a discussion of the general benefits from a single *federal* regime for determining copyright issues, coupled with arguments for a robust preemption doctrine to foreclose inconsistent state protection. In Part II, this Article will identify and discuss the various elements found in § 301, as conditions for federal preemption of state law. This Part will include a detailed analysis and criticism of many of these cases applying and interpreting the

Group, Inc. v. Musil Govan Azzalino, 270 F.3d 821, 832, 834 (9th Cir. 2001) (Kozinski, J., concurring) (agreeing only with the result and characterizing the majority's preemption analysis as incomplete); *Wendt v. Host Int'l, Inc.*, 197 F.3d 1284, 1285-88 (9th Cir. 1999) (Kozinski, J., dissenting) (disagreeing with an order rejecting a suggestion for rehearing en banc and sharply criticizing the panel's preemption analysis).

6. See CRAIG JOYCE ET AL., COPYRIGHT LAW 917 (7th ed. 2006) ("One objective of Congress in promulgating the new Copyright Act in 1976 was to clarify preemption doctrine. Unfortunately, . . . the 1976 Act has done little, if anything, to solve the problem."); Jennifer E. Rothman, *Copyright Preemption and the Right of Publicity*, 36 U.C. DAVIS L. REV. 199, 236 (2002) ("Overall, Section 301 is a legislative disaster. The current interpretations of the section's language are both illogical and unsupportable.").

7. 28 U.S.C. § 1338(a) (2000).

8. Copyright Act of 1909, ch. 320, 35 Stat. 1075, *superseded by* Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101-810 (2000)).

statute. Part III of this Article will consider non-statutory, or conflict, preemption, based on the inconsistency between state protection and the goals of the federal copyright regime. Relying on the premise that a more robust approach to preemption not only will fulfill the goals of the drafters of the 1976 Act,⁹ but indeed will advance the objectives for a *federal* copyright regime contemplated by the Constitution, this Article will conclude with some suggestions that, hopefully, will also advance the other goal of the drafters of the 1976 Act—a statutory provision which avoids, to the greatest extent possible, “vague borderline areas.”

I. INTRODUCTION

A. State and Federal Protection under the Copyright Act of 1909

Under the prior statute—the Copyright Act of 1909 (the 1909 Act)—copyright was characterized by a dual regime of alternative state and then federal protection. The fundamental distinction was between “unpublished” and “published” works. “Publication” was an essential requirement for federal protection.¹⁰ Before a work was “published,” it could be protected only by state law—usually referred to as “common law copyright.”¹¹ The term “publication” was not used in the layman’s sense, but rather was a term of art under copyright law. It meant distribution of the work to the general public, although the nature and extent of that dissemination was imprecise and unpredictable.¹² As a practical matter, this meant that state protection extended only to works that the author was not (yet) exploiting commercially. No affirmative steps were needed to secure common law copyright.

9. See *infra* text accompanying notes 23-27.

10. See Copyright Act of 1909 § 12.

11. See *id.* § 2 (“[N]othing in this Act shall be construed to annul or limit the right of the author or proprietor of an *unpublished work*, at *common law* or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.” (emphasis added)).

12. See H.R. REP. NO. 94-1476, at 130 (1976), *reprinted in* 1976 U.S.C.A.N. 5659, 5746 (“With the development of the 20th-century communications revolution, the concept of publication has become increasingly artificial and obscure. To cope with the legal consequences of an established concept that has lost much of its meaning and justification, the courts have given ‘publication’ a number of diverse interpretations, some of them radically different. Not unexpectedly, the results in individual cases have become unpredictable and often unfair.”).

After “publication,” i.e., after the author undertook some form of commercial distribution of his or her work, protection under state law was no longer available. At that point, the copyright owner was required to take several steps to obtain federal protection. These steps—the principal ones of which were affixation of the specified notice in a specified location on the work,¹³ deposit of copies of the work with the Copyright Office of the Library of Congress,¹⁴ and registration of the work¹⁵—were essential preconditions to obtaining and retaining federal copyright protection. Failure to follow those steps resulted in complete loss of any form of protection.

Under the 1909 Act, state and federal protection differed not only in the nature of the works covered and the formalities required to obtain protection, but also in the duration of protection. As long as the work remained unpublished, and common law copyright, therefore, still obtained, protection could be eternal.¹⁶ On the other hand, federal protection was afforded for an initial term of twenty-eight years;¹⁷ in the last year of that term, the copyright owner could renew the copyright for another period of twenty-eight years.¹⁸ Then, after the expiration of federal copyright protection, anyone was free to use the work without obtaining permission from, or paying royalties to, the copyright owner.

B. Changes Effected by the Copyright Act of 1976

By contrast, § 301 of the present-day statute, the Copyright Act of 1976,¹⁹ expressly preempts not only state (common law) copyright,²⁰

13. *Id.* § 9 (imposing a notice requirement); *id.* § 18 (specifying the content of notice); *id.* § 19 (specifying the location of notice).

14. *Id.* §§ 12-13, 47.

15. *Id.* § 10 (permitting “registration of [a] claim to copyright by complying with the provisions of this Act, including the deposit of copies” and the required notice).

16. Thus, for example, under the regime existing under the 1909 Act, if the diary of a nineteenth century author, or that author’s personal correspondence, had remained private and “unpublished,” it would continue to be entitled to common law copyright protection even into the twenty-first century. *See id.* § 2. *But see* 17 U.S.C. § 303(a) (2000) (providing that works created before January 1, 1978, but not in the public domain or copyrighted on that date, have copyright protection of same duration as other works as specified in § 302; term of copyright for works which were still unpublished on December 31, 2002 expired on that date; and previously unpublished works which were published by December 31, 2002 have protection at least until 2047).

17. Copyright Act of 1909 § 23 (“[C]opyright . . . shall endure for twenty-eight years from the date of first publication . . .”).

18. *See id.* § 24 (permitting renewal of subsisting copyrights). If the copyright on the work was not renewed in the last year of the first term, the work fell into the public domain. *Id.*

19. 17 U.S.C. § 301.

but also all other state law rights which are "equivalent to" the rights afforded by the federal regime.²¹ This preemption provision extends even to state rights that conceptually are not usually intended to protect traditional forms of "intellectual property," but rather arise under tort, contract, or other bodies of law. Section 301(a) provides as follows:

On and after January 1, 1978, all legal or equitable rights [(1)] that are equivalent to any of the exclusive rights within the general scope of copyright as specified in section 106 [and (2)] in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.²²

The legislative history of § 301 sets forth a number of reasons for the express preemption not only of common law copyright, but also of other claims under state law that would be inconsistent with the system created by the newly enacted (in 1976) federal law—a regime that not only provides for the protection of certain copyrightable materials, but that significantly also reflects a decision *not* to extend or permit protection for certain other materials and activities. The House Report on the bill that was eventually enacted offered four "main arguments in favor of a single Federal system."²³ It is noteworthy that the first argument proffered, which referred to James Madison's comments in the Federalist Papers, was the importance of "*promot[ing] national uniformity and . . . avoid[ing] the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various States.*"²⁴

The other three reasons given for displacement of state protection were that (1) "[w]ith the development of the 20th-century

20. The chief exception to this assertion is that common law copyright continues to survive for claims for infringement of a work which has not yet been "fixed in any tangible medium of expression." See § 301(b)(1); *infra* Part II.B.2.

21. See *infra* Part II.A.2.

22. 17 U.S.C. § 301(a).

23. See H.R. REP. NO. 94-1476, at 129 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5745.

24. *Id.* (emphasis added). Congressional authority to preempt inconsistent state protection was foreshadowed in a Supreme Court decision a few years prior to the passage of the 1976 Act. In *Goldstein v. California*, the Court stated:

Where the need for free and unrestricted distribution of a writing is thought to be required by the national interest, the Copyright Clause and the Commerce Clause would allow Congress to eschew all protection. In such cases, a conflict would develop if a State attempted to protect that which Congress intended to be free from restraint or to free that which Congress had protected.

412 U.S. 546, 559 (1973).

communications revolution, the concept of publication has become increasingly artificial and obscure”;²⁵ (2) § 301 “would also implement the ‘limited times’ provision of the Constitution, which has become distorted under the traditional concept of ‘publication,’ [since] [c]ommon law protection in ‘unpublished’ works is now perpetual”;²⁶ and (3) “[a]doption of a uniform national copyright system would greatly improve international dealings in copyrighted material.”²⁷

Section 301 of the 1976 Act sets forth two conditions for statutory preemption. To simplify this provision: The Act preempts state law claims only if (1) the rights afforded under state law are “equivalent to” the rights afforded to the owners of copyright under the 1976 Act, *and* (2) the work of authorship is fixed in a tangible medium of expression and the rights sought to be protected by state law fall within the “subject matter” of copyright.²⁸ The first element has been widely held, in turn, to require examination of whether the state law claim requires proof of a qualitatively substantial “extra element,” beyond those required to establish a violation of copyright.²⁹ The largest number of cases considering the issue of statutory preemption focus on the presence or absence of this “extra element.”

C. Constitutional Preemption

Although § 301 is an explicit statutory source for preemption of state law, it is certainly not the only such source. The federal Constitution itself is obviously also an important basis for possible preemption of a wide variety of forms of state protection, and was so understood prior to the enactment of § 301.³⁰ Therefore, quite apart from the statutory command in § 301 of the 1976 Act, preemption may also be mandated because state regulation is deemed inconsistent with the goals, values, and policies reflected in the federal regime for protecting (or not protecting) intellectual property.³¹

25. H.R. REP. NO. 94-1476, at 130, *reprinted in* 1976 U.S.C.C.A.N. at 5745.

26. *Id.*, *reprinted in* 1976 U.S.C.C.A.N. at 5746.

27. *Id.*, *reprinted in* 1976 U.S.C.C.A.N. at 5746.

28. *See* 17 U.S.C. § 301(a) (2000).

29. For a discussion of this requirement, see *infra* Part II.A.2.

30. *See, e.g.,* Goldstein v. California, 412 U.S. 546, 554-55 (1973) (recognizing situations in which concurrent exercise of Federal and State copyright power presents not a “mere possibility of inconvenience . . . , but an immediate constitutional repugnancy”); *see infra* notes 71-72, 472 and accompanying text.

31. Preemption analysis involves a determination of the appropriate scope of *federal* protection in the face of different or inconsistent *state* rights. By its terms, § 301 does *not* preempt the simultaneous or overlapping assertion of claims under the *federal* trademark (or other) laws. *See* 17 U.S.C. § 301(d) (“Nothing in this title annuls or limits

Indeed, there are sound reasons for having a broader form of constitutional preemption of state protection for copyright than in other areas of the law. Unlike the bulk of federal legislation, which is enacted pursuant to general constitutional authorization, such as the Commerce Clause or the Necessary and Proper Clause, there is explicit constitutional authority for the enactment of the copyright and patent laws.³² This specific authority evidences not only a recognition of the importance of promoting these forms of intellectual property by affording them protection of limited duration, but also the importance that the nature, scope, and duration of that protection be controlled by *federal* law. Inconsistent or overlapping state law protection for potentially patentable and copyrightable materials would be particularly antithetical to these constitutionally-enunciated goals, and thus, such attempted protection should be preempted even in the absence of a specific statutory provision.

any rights or remedies under any other Federal statute.”); *see also* CoStar Group Inc. v. LoopNet, Inc., 164 F. Supp. 2d 688, 712 (D. Md. 2001) (“[T]he Copyright Act, by its terms, does not preempt plaintiff’s Lanham Act claims.”), *aff’d*, 373 F.3d 544 (4th Cir. 2004); Scholastic, Inc. v. Stouffer, 124 F. Supp. 2d 836, 845 (S.D.N.Y. 2000) (“In cases . . . where more than mere misappropriation is properly alleged, a Lanham Act claim is a viable alternative to a copyright action.”), *aff’d sub nom.* Stouffer v. ABC Corps., 93 F. App’x 332 (2d Cir. 2003); Selby v. New Line Cinema Corp., 96 F. Supp. 2d 1053, 1056 (C.D. Cal. 2000) (“Plaintiff’s complaint adequately alleges that defendants violated the Lanham Act by bodily appropriating his [copyrighted] work.”); Nash v. CBS, Inc., 704 F. Supp. 823, 831 (N.D. Ill. 1989) (“To the extent that [plaintiff] raises a Lanham Act claim . . . we hold that it is not preempted by § 301.”), *aff’d*, 899 F.2d 1537 (7th Cir. 1990); Tracy v. Skate Key, Inc., 697 F. Supp. 748, 750 (S.D.N.Y. 1988) (“Defendants’ argument that the Lanham Act claim is preempted is without merit.”). In *Salim v. Lee*, the court rejected the argument that the Lanham Act claims should be dismissed even though they were “identical to [the] copyright claims.” 202 F. Supp. 2d 1122, 1128 (C.D. Cal. 2002). *But see* Shaw v. Lindheim, 919 F.2d 1353, 1364-65 (9th Cir. 1990) (“We decline to expand the scope of the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy.”).

That understanding has at least been modestly undermined by the Supreme Court’s decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, which barred a Lanham Act § 43(a) reverse passing off claim, which asserted that the defendants had misrepresented the “origin” of videotapes they offered for sale by failing to give credit to the plaintiffs as the source of previously copyrighted audiovisual works that had fallen into the public domain and that were subsequently included in those videotapes. 539 U.S. 23, 35-38 (2003); *see also* Mist-On Sys., Inc. v. Gilley’s European Tan Spa, 303 F. Supp. 2d 974, 981 (W.D. Wis. 2002) (“Plaintiff’s claim under the Lanham Act arises from the same conduct as its copyright claim. In fact, it is a copyright infringement claim in disguise, and hence preempted.”). *See generally* Tom W. Bell, *Misunderestimating Dastar: How the Supreme Court Unwittingly Revolutionized Copyright Preemption*, 65 MD. L. REV. 206 (2006) (arguing that courts have misunderstood *Dastar*’s holding and extended its intended reach).

32. “The Congress shall have Power To . . . promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, § 8, cl. 8.

D. Rationales for Copyright Protection

Assessments about the proper scope of preemption of inconsistent state protection for copyrightable materials are informed by an understanding of the nature of the copyright regime. A principal reason for affording copyright protection is to provide incentives to engage in the creation of literary, musical, artistic, audiovisual, and other kinds of works.

This objective is reflected in the preambular portion of the Copyright Clause of the Constitution.³³ It identifies the chief rationale for affording copyright protection to authors: “To promote the Progress of Science and useful Arts.”³⁴ This provision, which is the eighteenth-century embodiment of classical economic principles, reflects the assumption that according certain exclusive rights to authors—although the exact scope of those rights is undefined in the constitution and has varied (and been expanded over time) by statute³⁵—is a necessary and appropriate incentive to, and reward for, the creation of literary and artistic works. However, it is important to bear in mind that the real beneficiary of copyright protection is the public, because the quality and quantity of society’s cultural resources are increased.³⁶

Another rationale for affording copyright protection is based on a combination of economic and artistic values, while also reflecting certain natural law principles. To use the contemporary term, works of authorship are identified as forms of “intellectual property.” Admittedly, both the means of creating copyrightable works and the ways in which ownership of those works can be established differ significantly from the creation and ownership of most other forms of

33. U.S. CONST. art. I, § 8.

34. U.S. CONST. art. I, § 8.

35. While finite, the duration of copyright has been frequently extended since the first statute passed at the end of the eighteenth century—most recently by the Sonny Bono Copyright Term Extension Act, 17 U.S.C. §§ 108, 203, 301-304 (1998); *see also* Eldred v. Ashcroft, 537 U.S. 186, 199-205, 222 (2003) (rejecting challenge to constitutionality of Sonny Bono Copyright Term Extension Act, and reviewing history of extensions of copyright duration).

36. *See* Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 349 (1991) (“The primary objective of copyright is not to reward the labor of authors, but ‘[t]o promote the Progress of Science and useful Arts.’” (alteration in original)); *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975) (“The immediate effect of our copyright law is to secure a fair return for an ‘author’s’ creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.”); *see also* *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 961 (2005) (Breyer, J., concurring) (“[C]opyright’s basic objective is creation and its revenue objectives [are] but a means to that end . . .”).

property. However, the characterization of such works as “intellectual property” has several implications.

First, the owner of any unit of *property* has the right, subject, of course, to limitations based on supervening public and governmental interests, to control its use; to exclude others from unauthorized use; and to license, convey, or alienate it to others. Copyright law protects those interests by setting forth minimal requirements for establishment of copyright,³⁷ by identifying initial ownership of works,³⁸ by defining the exclusive rights of the copyright owner,³⁹ by permitting transfer of those rights,⁴⁰ and by affording remedies against others who invade those rights.⁴¹ Second, the description of these works as *intellectual* property not only recognizes that they come into being as the result of human creativity, but also reflects the recognition that the author has certain interests in the identity and integrity of the work, and that these artistic interests may be deserving of some protection, regardless of whether there are any economic effects of the unauthorized use by others.⁴²

37. See 17 U.S.C. §§ 102-103 (2000) (defining the scope of subject matter for original works, compilations, and derivative works).

38. See *id.* § 201(a) (“Copyright in a work protected under this title vests initially in the author or authors of the work.”).

39. See *id.* § 106 (defining copyright owner’s “bundle of rights”); *id.* § 106A (conferring certain rights of attribution and integrity).

40. See *id.* § 201(d) (permitting transfer “in whole or in part by any means of conveyance or by operation of law”).

41. See *id.* §§ 502-505 (providing remedies for infringement, including damages, profits, injunctions, impoundment, costs, and attorney’s fees).

42. These latter rights implicate both economic and non-economic interests. The scope of protection afforded these interests by American law—which is less than that afforded by many civil law systems—has been the subject of much controversy. See, e.g., Henry Hansmann & Marina Santilli, *Authors’ and Artists’ Moral Rights: A Comparative Legal and Economic Analysis*, 26 J. LEGAL STUD. 95 (1997) (arguing for moral rights on the ground that they are economically beneficial); Ilhyung Lee, *Toward an American Moral Rights in Copyright*, 58 WASH. & LEE L. REV. 795 (2001) (arguing for broader moral rights for authors based on the value of the author’s dignity); Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105 (1990) (arguing against the judicial conversion of American copyright law to create moral rights); Susan P. Liemer, *Understanding Artists Moral Rights: A Primer*, 7 B.U. PUB. INT. L.J. 41 (1998) (arguing for expanded moral rights); Laura Nakashima, Comment, *Visual Artists’ Moral Rights in the United States: An Analysis of the Overlooked Need for States to Take Action*, 41 SANTA CLARA L. REV. 203 (2000) (arguing for state action in favor of moral rights). While the 1976 Act, as enacted, did not accord any “moral rights” to authors, some such limited rights have been extended thereunder since 1990. See *infra* text accompanying notes 83-88.

E. Preemption's Role in Advancing the Goals of the Copyright Regime

Because of these multiple underpinnings of the copyright regime, a determination of the appropriate reach of the federal copyright laws and of the counterpart displacement of state law protection requires balancing a number of competing values and interests. To be sure, both the author and society have interests in the provision of some measure of copyright protection to works of authorship. However, of course, the extent of those interests is obviously not congruent. And, with respect to any work of authorship, other (and perhaps overlapping) segments of society—those who want to use copyrightable materials and those who would build upon them to develop new works of authorship, and thus, who are also actual or potential “authors”—have compelling reasons to want to *limit* the scope of copyright protection.

These limitations are reflected in a number of ways. The Copyright Clause extends exclusive rights only to “Authors,” and authorizes protection only “for limited Times.”⁴³ Various “creations”—among the most prominent examples are ideas and facts gathered through research—are beyond the scope of copyright protection.⁴⁴ Section 107 of the Act codifies a long-understood common law exception to the scope of copyright protection,⁴⁵ by excluding from the definition of infringement the “fair use” of a copyrighted work.⁴⁶ The 1976 Act contains dozens of other express limitations on the rights of the copyright owner.⁴⁷ The significance of these provisions is that, in these and numerous other ways, first the drafters of the Copyright

43. U.S. CONST. art. I, § 8, cl. 8.

44. See 17 U.S.C. § 102(b) (“In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery . . .”); see also *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361-63 (1991) (denying copyright protection to names, addresses, and phone numbers in telephone directory).

45. 17 U.S.C. § 107. The judicially created fair use doctrine has been recognized in American law at least since *Folsom v. Marsh*, 9 F. Cas. 342, 345 (C.C.D. Mass. 1841) (No. 4901). As noted in the legislative history of the 1976 Act,

[t]he judicial doctrine of fair use, one of the most important and well established limitations on the exclusive right of copyright owners, would be given express statutory recognition for the first time . . . [§] 107 is intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way.

H.R. REP. NO. 94-1476, at 65-66 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5678-80.

46. 17 U.S.C. § 107 (“Notwithstanding the provisions of [§§] 106 and 106A, the *fair use* of a copyrighted work . . . is not an infringement of copyright.” (emphasis added)). Further discussion of the fair use doctrine is beyond the scope of this article.

47. See *id.* § 106 (making the grant of exclusive rights to copyright owners subject to the limitations in §§ 107-122).

Clause, and then the legislators who voted to pass the 1976 Copyright Act, have made judgments about those works and the conduct of others, for which protection should *not* be available. They did this both by limiting the scope of potentially copyrightable works to which protection should be extended and by narrowing the scope of potentially exclusive rights which, in fact, have been given to the owners of copyright

These constitutional and legislative judgments are reflective of a balance. The rights afforded recognize authors' interests in protecting their works and in receiving rewards for their creations, as well as society's interest in maximizing the creation of works. On the other hand, the *limitation* on or *exclusion* of other rights not only recognizes the public interest in permitting certain uses of works of authorship even in the absence of authorization of or payment to the copyright owner; they are also another means of promoting society's parallel interest in expanding the creation of other, new works by encouraging and protecting different authors. The extension of rights under state law, beyond those provided for by the federal Copyright Act, would distort that federally crafted balancing of interests.⁴⁸

F. Judicial Treatment of Preemption Issues

As noted above, § 301 of the 1976 Act sets forth two conditions that must be satisfied before a state law claim is preempted.⁴⁹ Although judicial application of this statutory test has yielded the correct outcome in the majority of decisions, there have been a significant number of occasions that have produced troublesome results. While reported decisions have given far less attention to non-statutory and constitutional preemption, some of the cases treating this issue also have yielded problematic outcomes.

The imprecision in the scope of § 301 is undoubtedly the most significant cause of this state of affairs. But these erroneous decisions are also the product of two related occasional failures: a failure by the courts to give full respect to Congress's stated purposes for the

48. An interesting question, but one that is beyond the scope of this Article, is whether preemption is an affirmative defense which must be raised by the defendant, and is waived if not asserted in a timely fashion, or whether a court must dismiss a particular state claim as a matter of law because § 301 or the Constitution forecloses its assertion. I would opt for the latter alternative; Congressional intent is flouted if such a state claim is permitted, even if the defendant's failure to raise the question of preemption was the result of carelessness or bad lawyering. *But see* *DirectTV, Inc. v. Barrett*, 311 F. Supp. 2d 1143, 1147 (D. Kan. 2004) (holding that preemption was waived by the untimely assertion of the defense by a pro se defendant).

49. See 17 U.S.C. § 301(a); *see also supra* text accompanying note 28.

enactment of § 301 and their failure to consider fully the incompatibility of these state law claims with the importance of maintaining a consistent—and predominantly federal—system for protecting (and, equally, for declining to protect) various forms of intellectual property.

Proper attention to and correction of these failures will result in greater preemption of state claims. It is the thesis of this Article that this result will advance the goals both of the drafters of the 1976 Act and of the framers of the Constitution. In the next Part, this Article will examine the various requirements for statutory preemption. This will include consideration of case law, legislative history, and other interpretative sources. Since subsequent developments have revealed that the hopes of the drafters of the 1976 Act for clarity have not been realized, it would be the height of hubris for me to suggest a “magic bullet” to achieve that hoped-for consistency and predictability.

However, serious consideration of the goals that, in 1976, animated the express displacement of state copyright protection and of other related state law claims, by the insertion into the Act of an explicit preemption provision, should prove helpful in guiding future decision-makers as to the proper reach of state law. A better appreciation of these goals, as well as of the policies that support, alternatively, a greater or narrower scope of protection for copyrightable or potentially copyrightable materials, will advance the identification of some general principles for the determination of whether a state law claim ought to be preempted by federal law.

As already noted, a major premise of this Article is that the congressional determination, not only of the intellectual creations for which copyright protection is available, but also those works for which protection will *not* be available, and the legislative determination of the scope of the rights available (and *not* available) to the copyright owner, represent more than a judgment about the scope of *federal* protection. Rather, the balances and compromises embodied in the Act are a determination about the proper scope (and limits on that scope) of copyright and quasi-copyright protection, which shall exist in *all* courts in the United States, and under *any* legal theory, state as well as federal. State law that purports to give different or greater rights to creators and owners of this form of intellectual property is inappropriate, and therefore, within the scope of the preemption provision of the statute.

Finally, a determination of the appropriate scope of preemption requires examination of sources in addition to § 301, particularly Article I of the Constitution. Therefore, in Part III, this Article will

also suggest that increased use of non-statutory preemption will further advance the goal of achieving a uniform national system for protecting the interests both of authors and of users of copyrighted and copyrightable materials.

II. STATUTORY PREEMPTION

Section 301(a) of the 1976 Act contains two requirements for statutory preemption of state law claims.⁵⁰ Breaking down these requirements reveals that each, in turn, consists of two elements. The first prong of the § 301(a) test is that the state right being displaced must be (1) “equivalent to” any of the exclusive rights and (2) “within the general scope of copyright,” as provided in § 106 of the Act. The second prong is that the work of authorship for which state protection will be denied must be (1) “fixed in a tangible medium of expression,” and (2) must “come within the subject matter of copyright as specified in §§ 102 and 103.”

Perhaps proceeding out of an excess of caution, the drafters of the preemption provision also affirmatively indicated those types of claims that would *not* be preempted.⁵¹ An examination of this subsection reveals that several of those actions for which state protection remains available are merely the mirror of the conditions found in § 301(a). Section 301(b) provides:

Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to –

(1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or

50. The section states:

On and after January 1, 1978, all legal or equitable rights [(1)] that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 [and (2)] in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

17 U.S.C. § 301(a).

51. See *id.* § 301(b)(1)-(4). Canons of statutory construction normally adopt the opposite presumption—that statutory provisions are not duplicative. See *United States v. Talebnejad*, 460 F.3d 563, 568 (4th Cir. 2006), *cert denied*, *Talebnejad v. United States*, 127 S. Ct. 1313 (2007). However, this duplication is less problematic here, when the elements in subsections 301(a) and (b) are complementary rather than inconsistent.

(2) any cause of action arising from undertakings commenced before January 1, 1978;

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106⁵²

A. *The First Prong of § 301(a)*

The first prong for statutory preemption, found in § 301(a), consists of the “general scope of copyright” and “equivalence” requirements.⁵³ As just noted, the reciprocal of this provision—reiterating that a work *not* meeting these two requirements is *not* preempted—is found in § 301(b)(3). I now turn to a detailed examination of the inconsistent judicial treatment given to these requirements.

Section 106 of the Copyright Act specifies the six exclusive rights given to the owner of copyright⁵⁴—the so-called “bundle of rights.”⁵⁵ These include (with respect to all kinds of works):⁵⁶ the right to reproduce (make copies of) the work;⁵⁷ to prepare derivative works based on the work;⁵⁸ and to distribute copies of the work, by sale, rental, lease, or lending.⁵⁹ The Act also confers on the copyright owner

52. 17 U.S.C. § 301(b)(1)-(3).

53. See *id.* § 301(a) (preempting “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106”).

54. As enacted in 1976, § 106 provided only for five such rights—the rights of reproduction, adaptation, publication, performance, and display. Copyright Act of 1976, Pub. L. No. 94-553, § 106, 90 Stat. 2541. The copyright owner’s exclusive right to perform copyrighted sound recordings by means of digital audio transmissions, found in 17 U.S.C. § 106(6), was added by the Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, § 2, 109 Stat. 336, 336.

55. See H.R. REP. NO. 94-1476, at 61 (1976), *reprinted in* U.S.C.C.A.N. 5659, 5674. These rights may be infinitely divided and owned, and may be transferred in whole or in part. See 17 U.S.C. § 201(d).

56. Section 102 now provides that “[w]orks of authorship include the following [eight] categories.” 17 U.S.C. § 102(a). As enacted in 1976, there were seven such categories. See Copyright Act of 1976 § 102. Protection for “architectural works” was added by the Architectural Works Copyright Protection Act, Pub. L. No. 101-650, § 703, 104 Stat. 5089, 5133 (1990) (codified in 17 U.S.C. § 102(a)(8)).

57. 17 U.S.C. § 106(1).

58. *Id.* § 106(2). A “derivative work” is defined as a “work based upon one or more preexisting works.” *Id.* § 101.

59. *Id.* § 106(3). This right is conditioned by the “first sale” doctrine. See *id.* § 109(a). A person who acquires a lawfully made copy of a work is entitled to dispose of that copy of the work without obtaining the permission of the copyright owner. *Id.*

of certain forms of copyrightable works the exclusive right to perform publicly and to display publicly those works.⁶⁰

There are numerous other rights that potentially might have been conferred on a copyright owner, but which do not fall within these specified, statutorily granted exclusive rights. One kind of potential, but “non-conferred,” right is a performance right for sound recordings.⁶¹ Additional “non-conferred” rights, and perhaps the most important, are the full range of *droits moral* (moral rights).⁶² Yet another “non-conferred” right would be one by the creator of an artistic work to collect a portion of the increase in the value of the work upon its resale—*droit de suite* (resale royalty right). Although the case law has resulted in somewhat inconsistent treatment regarding the preemption of those rights, state claims for these kinds of rights are *unavailable* in most situations. This is because § 301 preempts not only those rights that are conferred by § 106, but also those other rights that fall within the “general scope” of those rights. This phrase also has been interpreted to include those rights that are analogous to the § 106 rights, and protection for which could have been, but was not, afforded by the copyright statutes.⁶³

Preemption also extends only to those legal or equitable rights that are “equivalent to” these § 106 rights. The *facts* supporting the state right, and whether those facts would also give rise to an action under federal law, are not determinative of “equivalence.” Instead, the vast majority of cases have, in turn, inquired into the *legal*

60. *Id.* § 106(4)-(5). The right to *perform* the work publicly extends only to “literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works.” *Id.* § 106(4). In particular, there are no public performance rights with respect to sound recordings, *see id.* § 114(a), with the exception of the recently created right in § 106(6) with respect to performances by means of a digital audio transmission. *See* Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, § 2, 109 Stat. 336, 336 (codified in 17 U.S.C. § 106(6)). The right to *display* the work publicly extends only to “literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic or sculptural works.” 17 U.S.C. § 106(5). Even with respect to covered works, the public display right is limited by § 109(c), which allows the owner of a lawfully made copy “to display that copy publicly . . . to viewers present at the place where the copy is located.” *Id.* § 109(c).

61. *See infra* Part II.A.1.a.

62. Among the “moral rights” recognized under many civil law regimes are the right of attribution and the right to prevent the alteration, mutilation, or destruction of the work. *See* Lee, *supra* note 42, at 802. Since the passage of the Visual Artists Rights Act of 1990, American law has afforded limited rights of attribution, and certain rights to prevent such change or destruction of the work, to certain authors of certain specified works. *See* Pub. L. No. 101-650, § 603, 104 Stat. 5089, 5128-29 (codified at 17 U.S.C. § 106A (2000)).

63. *See, e.g.,* *Trandes Corp. v. Guy F. Atkinson Co.*, 996 F.2d 655, 659 (4th Cir. 1993) (noting that, if the rights plaintiff “seeks to protect are ‘equivalent’ to the exclusive rights reserved to the owner of a copyright,” the “cause of action . . . is preempted.”)

elements necessary to make out the state claim,⁶⁴ and have found an absence of “equivalence” if (and only if) the state law requires an additional or “extra” element.⁶⁵

1. Claims within the “General Scope of Copyright”

The first prong of § 301 preempts only those state claims that are within the “general scope of copyright as specified in section 106.” This includes not only those rights specifically provided for in that latter section, but also some rights which might have been, but that were not, in fact, granted by the Copyright Act.

a. Sound Recordings

Sound recordings are the “works that result from the fixation of a series of musical, spoken or other sounds,”⁶⁶ as opposed to the music or words themselves.⁶⁷ They are typically reproduced in such formats as vinyl records, cassettes, CDs, or DVDs, which are “copies” of the underlying sound recordings. Copyright protection for sound recordings has had a special history. Until it was amended in 1971,⁶⁸ the 1909 Act omitted protection for unauthorized reproduction of sound recordings. Although the underlying musical or literary works contained in those recordings may well have been subject to copyright protection,⁶⁹ so-called “record piracy” was rampant. In response, a number of states passed legislation either permitting civil actions

64. See *id.* (“To determine whether a particular cause of action involves rights equivalent to those set forth in § 106, the elements of the causes of action should be compared, not the facts pled to prove them.”).

65. This requirement is discussed in detail below. See *infra* Part II.A.2. An example of such an additional element would be the requirement(s) in an action for improper use of trade secrets that the plaintiff prove the extension of information in confidence and/or the defendant’s breach of an obligation of trust.

66. 17 U.S.C. § 101.

67. These are respectively musical works or literary works. See *id.* § 102(a)(1)-(2).

68. See Act of Oct. 15, 1971, Pub. L. No. 92-140, 85 Stat. 391 (effective Feb. 15, 1972).

69. Older music—particularly classical music—was more likely to be in the public domain, so that the unauthorized copying of a sound recording of a symphony written by Beethoven, and performed and recorded by the New York Philharmonic Orchestra, would have been unactionable by anyone under the copyright laws. See *e.g.*, *Metro. Opera Ass’n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483, 500 (N.Y. Sup. Ct. 1950) (enjoining defendant from making and selling phonographic records, based on its unauthorized copying of plaintiff’s live broadcasts of operas), *aff’d*, 107 N.Y.S.2d 795 (N.Y. App. Div. 1951).

against or even criminalizing that conduct;⁷⁰ yet, other states allowed claims against copying under the judicially-created misappropriation theory.⁷¹ The vitality of these actions under state law was recognized in a 1973 decision, *Goldstein v. California*, in which the Supreme Court rejected the defendant's argument that such state protection was preempted either expressly by the U.S. Constitution or impliedly by principles of federalism.⁷²

Federal protection against unauthorized reproduction of sound recordings is expressly provided for in the 1976 Act.⁷³ The Act also gives the owner of copyright in a musical or literary work the exclusive right to control the public performance of that work.⁷⁴ Copyright theory provides no *a priori* reason to deny the owner of copyright in a *sound recording* the right to control the public performance of that work; indeed, the decision whether to grant that right was extensively debated in Congress. At the end of the day, however, the 1976 Act withholds that right.⁷⁵ In fact, not only is this performance right not listed in the grant of exclusive rights found in § 106,⁷⁶ the Act expressly states that no such right shall exist.⁷⁷ While a

70. See, e.g., CAL. PENAL CODE § 653h (West 1999) (originally enacted Act of July 16, 1968, ch. 585, § 1, 1968 Cal. Stat. 1256); N.Y. GEN. BUS. LAW §§ 5670-5671 (McKinney 1968). See generally Ira M. Pesserilo, *State Anti-sound Piracy Laws and a Proposed Model Statute: A Time to Consolidate the Victories against Sound Piracy*, 8 PERF. ARTS REV. 1 (1978) (arguing for a uniform law consistent with the 1976 Act that would protect pre-1972 sound recordings against piracy).

71. See, e.g., *Mercury Record Prods., Inc. v. Econ. Consultants, Inc.*, 218 N.W.2d 705, 712 (Wis. 1974) (upholding claim for record and tape piracy).

72. 412 U.S. 546, 560 (1973). Obviously, because the 1909 Act had no express preemption as is found in § 301 of the 1976 Act, *Goldstein* did not present issues of statutory preemption.

73. "Sound recordings" are included in the listing of "works of authorship" in 17 U.S.C. § 102(a)(7) (2000). Section 106(1) gives to the owner of copyright the exclusive right to "reproduce the copyrighted work in copies or phonorecords." *Id.* § 106(1).

74. "[T]he owner of copyright . . . has the exclusive right[] . . . in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly . . ." *Id.* § 106(4).

75. The controversial nature of this decision is emphasized by the fact that the Act required the Register of Copyrights first to consult with industry members and public representatives on this issue and then, on January 3, 1978, to submit to Congress "a report setting forth recommendations as to whether this section should be amended to provide for performers and copyright owners . . . any performance rights" in such material. H.R. REP. NO. 94-1476, at 106 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5721 (alteration in original); see 17 U.S.C. § 114(a).

76. See 17 U.S.C. § 106.

77. "The exclusive rights of the owner of copyright in a sound recording are limited to the rights specified by clauses (1), (2), (3) and (6) of section 106, and do not include any right of performance under section 106(4)." *Id.* § 114(a).

The cumulative significance of these provisions is as follows: the composer of a song (a "musical work") has the exclusive right to make copies of that song, to perform the work

limited form of performance right in sound recordings was subsequently granted in 1995 for performances by means of digital audio transmission,⁷⁸ the broader denial of such a right under the Copyright Act for the performance of sound recordings remains the rule today.

The one exception found in § 301, which reserves state protection for certain sound recordings—presumably including the right of performance—is for sound recordings fixed before the 1972 effective date of the 1972 amendments to the 1909 Act,⁷⁹ which had expanded the right of reproduction to include those works. As to those earlier works, state law protection will be available until 2067.⁸⁰ However, state protection for public performance of any post-1972 sound recording, which falls within the protection of the 1976 Act, *must be preempted*.⁸¹ The contrary result—permitting the states to

publicly, and to license others to make sound recordings of that work. That sound recording will typically consist of the musical work, as performed by a vocalist and/or a band. Although the owner of the copyright in the sound recording, in turn, has the exclusive right to reproduce and distribute that work, the reproduction and distribution of the sound recording is also a reproduction and distribution of the underlying musical work. Thus, that copyright owner, in obtaining a license from the composer (or his/her assignee) to fix the work in a sound recording, will also have to obtain permission to engage in reproduction and distribution of the underlying musical work.

The *performance* of a sound recording—for example, by playing it in a restaurant or nightclub or by transmitting it over the radio—is also the performance of the underlying musical work embodied in the sound recording. The present-day significance of the statutory withholding of a public performance right in the sound recording is that while a radio station must obtain permission from the composer (or his/her assignee) to play the song (and will pay royalties, typically through a performing society to which the composer belongs), the radio station needs no permission from (and pays no royalties to) the recording artist or the owner of copyright in the sound recording.

78. Digital Performance Right in Sound Recordings Act of 1995, Pub. L. No. 104-39, § 2, 109 Stat. 336, 336 (codified at 17 U.S.C. § 106(6)).

79. See 17 U.S.C. § 301(c).

80. *Id.* The choice of 2067 as the date for the termination of possible rights under state law was to give a maximum duration for protection of those works of ninety-five years—the present term for copyright of “works made for hire.” *Id.* § 302(c); see *Capitol Records, Inc. v. Naxos of Am., Inc.*, 372 F.3d 471, 477-79 (2d Cir. 2004) (recognizing that common law copyright claims are not preempted with respect to sound recordings fixed prior to Feb. 15, 1972, and that the availability and scope of the remedy depend solely on applicable state law).

81. As early as 1965, the Register of Copyrights asserted that such preemption would be the result of the proposed legislation which eventually became the Copyright Act of 1976. “The pre-emption is intended to be complete with respect to any work coming within the scope of the bill, even though it would not be given as broad protection as might otherwise be available to it under the common law. For example, since sound recordings are now to be made copyrightable works, it would not be possible to afford them any rights of public performance under State law even though they are denied these rights under section 112 [(eventually § 114(a)) of the statute.” H. COMM. ON THE JUDICIARY, 89TH

afford a right that has been expressly withheld by federal law—would interfere with the balance of interests between creators of these works and users thereof that was struck by Congress in 1976.⁸²

b. Moral Rights

Although some European systems afford relatively broad rights of attribution and integrity—so-called “moral rights”—to the authors of certain literary and artistic works, historically, the American legal system has declined to extend similar rights.⁸³ For purposes of

CONG., SUPPLEMENTARY REGISTER’S REPORT ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 84 (Comm. Print 1965).

A related issue—whether state protection is available under a right of publicity theory against “sound-alike” versions of the performances of famous actors or vocal artists—is discussed *infra* at notes 332-337 and the accompanying text.

82. Professor Goldstein asserts that it is not clear whether § 301 “would treat a state law as coming within the general scope of copyright if instead of filling a gap in the scope of a statutory right . . . it grants a right that section 106 entirely withholds.” PAUL GOLDSTEIN, 3 GOLDSTEIN ON COPYRIGHT § 17.2.1.1, at 17:10 (3d ed. 2005). He uses the denial of performance rights to sound recordings as an example of such withholding, and sets forth the plausible opposing conclusions one might draw from the statutory language. *Id.* The argument offered for non-preemption is “the fact that the Act omits a right against non-digital performance of sound recordings may mean that state laws against such performances are immune from preemption since a right that does not exist—a non-digital performance right in sound recordings—cannot be said to have a ‘general scope.’” *Id.*

As discussed below, courts have taken an expansive approach both to the “subject matter of copyright” prong in § 301 and to the “scope” prong at issue here. *See infra* notes 196, 404, 416-420, 425-428 and accompanying text. Thus, for example, although ideas are not protected, or protectable, under the Copyright Act, they are nonetheless within the “subject matter” of copyright for purposes of § 301. It is fully consistent with that approach to statutory construction to bring performance rights to sound recordings within the general “scope” of copyright protection. And that interpretation is also fully consistent with the policies of § 301, paramount of which is the development of a single and uniform approach to the nature and extent of “copyright” protection.

Indeed, Professor Goldstein acknowledges:

The “general scope of copyright” means *the full scope that Congress could have described* for any particular right While the [hypothetical] state law right [affording a performance right in sound recordings] would be broader than the statutory right [in § 106(4)], it would fall within the general ambit of the performance right and thus be subject to preemption.

GOLDSTEIN, *supra* § 17:2.1.1, at 17:9-10 (emphasis added).

83. The range of moral rights may include (1) a right of “integrity,” i.e., a right to prevent alteration, distortion or destruction of the work; (2) a right of “paternity,” i.e., a right to be identified as the author of the work; (3) a right of “disclosure,” i.e., a right to control the timing and nature of the work’s initial publication; and (4) a right of “withdrawal,” i.e., a right to withdraw, modify or disavow the work after its publication. *See* GOLDSTEIN, *supra* note 82, § 17.23, at 17:200. *See generally* Thomas F. Cotter, *Pragmatism, Economics, and the Droit Moral*, 76 N.C. L. REV. 1 (1997); Edward J. Damich, *State “Moral Rights” Statutes: An Analysis and Critique*, 13 COLUM. J.L. & ARTS 291 (1989); Jane C. Ginsburg, *Have Moral Rights Come of (Digital) Age in the United States?*,

determining the proper scope of preemption, it is important to stress that this more limited conferral of rights is not simply the product of inaction, inertia, or indifference. Rather, the congressional failure to accord that same broader range of moral rights represents *affirmative* legislative and societal judgments about the nature of music, literature, and the arts; about the relationship of the author to his or her work; and, indeed, about the nature and purpose of copyright.

The 1976 Act made, at best, only limited provisions for the federal protection of moral rights.⁸⁴ In 1990, the Act was amended by the Visual Artists Rights Act (VARA)⁸⁵ to afford certain limited rights of attribution and integrity under federal law for certain works⁸⁶

19 CARDOZO ARTS & ENT. L.J. 9 (2001); Robert A. Gorman, *Federal Moral Rights Legislation: The Need for Caution*, 14 NOVA L. REV. 421 (1990); Liemer, *supra* note 42.

84. There are a handful of rights under § 106 which are analogous to some of these moral rights. The closest is the copyright owner's exclusive rights of publication and distribution, including when and where those occur, which are analogous to the exclusive right of "disclosure." See, e.g., *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 552 (1985) (noting that 1976 Act "recognized for the first time a distinct statutory right of first publication"). The copyright owner's exclusive right under § 106(2) to prepare derivative works is analogous in some aspects to the right of integrity. There are fewer analogies under the Copyright Act to the other two moral rights. And, it is noteworthy that all of the exclusive rights under § 106 belong to the copyright owner—who is not necessarily the author. See 17 U.S.C. § 106.

Section 43(a) of the Lanham Act has also been used to afford federal protection—under a trademark theory—which is similar to some elements of moral rights. 17 U.S.C. § 1115(a); see, e.g., *Gilliam v. Am. Broad. Cos.*, 538 F.2d 14, 24 (2d Cir. 1976) (recognizing that a claim for deformation or mutilation of a work was akin to "the continental concept of *droit moral*, or moral right").

85. Visual Artists Rights Act of 1990, Pub. L. No. 101-650, § 603, 104 Stat. 5089, 5128-30 (1990) (codified at 17 U.S.C. § 106A).

86. VARA extends protection only to a "work of visual art," which is defined, with various additional exceptions, to include only paintings, drawings, prints, sculptures, or photographs produced in limited editions. See 17 U.S.C. § 101; see *infra* note 95 and accompanying text (identifying the more prominent examples of the non-covered works).

Perhaps the most important transformation that is outside the protection of VARA (and of existing state law) is the colorization of black and white motion picture films. Since the copyright in a film is typically not owned by the director or actors, they typically will be unable to rely on traditional copyright theories to challenge those alterations. See generally Lawrence Adam Beyer, *Intentionalism, Art, and the Suppression of Innovation: Film Colorization and the Philosophy of Moral Rights*, 82 NW. U. L. REV. 1011 (1988) (discussing the right of integrity's possible impact on culture and innovation); David A. Honicky, *Film Labelling As a Cure for Colorization [and Other Alterations]: A Band-Aid for a Hatchet Job*, 12 CARDOZO ARTS & ENT. L.J. 409 (1994) (discussing film alteration techniques and their relationship to copyright law); Anne Marie Cook, Note, *The Colorization of Black and White Films: An Example of the Lack of Substantive Protection for Art in the United States*, 63 NOTRE DAME L. REV. 309 (1988) (recommending additional legislative protection for black and white films); Craig A. Wagner, Note, *Motion Picture Colorization, Authenticity, and the Elusive Moral Right*, 64 N.Y.U. L. REV. 628 (1989) (arguing that cinematic works and authors do not receive adequate protection under the current laws).

created by certain authors.⁸⁷ Although VARA, or subsequent legislation, obviously could have been more generous in extending moral rights, the present-day state of the law is that American moral rights doctrine remains considerably more limited than its European counterpart.⁸⁸

As discussed below, § 301 not only preempts state claims for those rights that have, in fact, been recognized by federal law, but also preempts alternate claims for any of the rights that fall “within the general scope of copyright.”⁸⁹ Because of the broad reading given to that language, the first part of the initial prong of the statutory provision is satisfied with respect to moral rights. It normally would follow that the congressional decision—identifying and balancing available moral rights, as well as the circumstances under which they are *not* available—would preclude states from recognizing moral rights extending beyond the range both of these federally granted and withheld rights.

Although this Article generally calls for a presumption in favor of an expansive approach to preemption, a number of considerations—both statutory and policy-based—dictate that not all state causes of action, either recognizing moral rights or rights which are analogous to moral rights, ought to be preempted. First, as required by the second half of the first statutory prong of § 301(a), preemption will occur only with respect to claims that are “equivalent to” any of the

87. For example, VARA does not extend protection to “works made for hire.” 17 U.S.C. § 101 (excluding such works from definition of “work of visual art”).

88. The rights under § 106A are more limited than those afforded to artists under certain European regimes in a number of other ways. For example, the American rights belong only to the author, 17 U.S.C. § 106A(e)(1) (providing that rights may not be transferred), and it endures only for his or her life, *id.* § 106A(d)(1). Some European systems, including those of France and Germany, allow that right to be exercised by the author’s heirs and make it perpetual. The French Moral Rights Law, Law No. 92-597 of July, 1992, art. 121, *Journal Officiel de la République Française* [J.O.] [Official Gazette of France], July 3, 1992, p. 8801, which addresses moral rights, is discussed and analyzed in André Lucas & Pascal Kamina, *France*, in PAUL E. GELLER & MELVILLE NIMMER, 2 INTERNATIONAL COPYRIGHT LAW AND PRACTICE §7[4] (2006). The German Moral Rights Law, Gesetz über Urheberrecht und verwandte Schutzrechte [UrhG] [Copyright Law of Sept. 9, 1965], Sept. 9, 1965, BGBI. I at 2098, § 4 (F.R.G.), is discussed and analyzed in Adolf Dietz, *Germany*, in *id.* § 7[4]. Again, in contrast to the French and German approach, which makes the right non-waivable, the right conferred by VARA may be waived by the author by an instrument in writing. 17 U.S.C. § 106A(e)(1). And, while some European systems protect works even if created by persons in an employee status, VARA excludes “works made for hire” from the scope of its protection. *Id.* § 101. See generally Gerald Dworkin, *The Moral Right of the Author: Moral Rights and the Common Law Countries*, 19 COLUM. J.L. & ARTS 229 (1995); Vera Zlatarski, “Moral” Rights and Other Moral Interests: Public Art Law in France, Russia, and the United States, 23 COLUM. J.L. & ARTS 201 (1999).

89. See *infra* Part II.A.2.

exclusive rights conferred by the Act. Many moral rights differ meaningfully from copyright claims, and therefore, fall short of that “equivalence.” Second, VARA contains its own preemption provision, specifically exempting certain claims by creators of works of visual art from federal preemption.⁹⁰ This would suggest a congressional decision to permit a broader range of state claims in this area. Third, the United States may well be dependent on state law to fulfill its obligations under the Berne Convention to afford some measure of protection to certain moral rights.⁹¹

The significance of the “equivalent rights” requirement for statutory preemption of any state law claim, including one for alleged violation of moral rights, is discussed in more detail below.⁹² As will be seen, most courts have employed an “extra element” test to determine equivalence. Since many state claims akin to moral rights genuinely require proof of an extra element not needed to make out a claim for copyright infringement, it is appropriate that those claims should fall outside the preemptive provisions of the Act.

The other two considerations also dictate caution in finding too expansive a preemption of state-based moral rights claims. As just noted, VARA has its own preemption provision, § 301(f), which has similarities to the general copyright preemption provision in § 301(a), but which, in a few respects, goes beyond that general provision. Section 301(f) provides that all rights that are “equivalent to any of the rights” granted by VARA, with respect to those “works of visual art” for which VARA confers rights, are to be governed exclusively by VARA, and protection under state law for those claims is foreclosed.⁹³ However, this provision not only keeps state-based causes of action that violate rights that are “*not* equivalent” to rights conferred by VARA outside its preemptive scope. In addition, claims that arose

90. See 17 U.S.C. § 301(f)(2)(A)-(C). See generally Joseph Zuber, *The Visual Artists Rights Act of 1990—What It Does, and What it Preempts*, 23 PAC. L. J. 445 (1992).

91. The Berne Convention for the Protection of Literary and Artistic Works, Paris Act of July 24, 1971, as amended on Sept. 28, 1979, 25 U.S.T. 1341 [hereinafter Berne Convention], is defined in 17 U.S.C. § 101 as “the Convention for the Protection of Literary and Artistic Works, signed at Berne, Switzerland, on September 9, 1886, and all acts, protocols, and revisions thereto.”

92. See *infra* Part II.B.2.

93. Section 301(f)(1) states in full:

[A]ll legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

17 U.S.C. § 301(f)(1).

from conduct before the statute's effective date and causes of action that extend protection beyond the life of the author are also expressly not preempted.⁹⁴ And, of course, § 301(f) is inapplicable to the larger body of "works" not falling within one of the categories of a "work of visual art."⁹⁵

In fact, prior to the passage of VARA, a number of states had enacted statutes that provided various kinds of moral rights to creators of works of fine arts.⁹⁶ The two most important of these are the California Art Preservation Act⁹⁷ and the New York Artists' Authorship Rights Act;⁹⁸ the statutes of nine other states follow one or the other of these models.⁹⁹ These statutes vary in a number of details,¹⁰⁰ with California's Act giving a somewhat broader range of rights to those artists than New York's. Specifically, the California Act makes it unlawful to deface, mutilate, alter, or destroy a work of

94. See *id.* § 301(f)(2)(A),(C). Federal protection under VARA terminates with the author's death. *Id.* § 106A(d)(1). State law may extend its protection for an indefinite period beyond the end of the author's life—in theory, even beyond the life plus seventy years period provided for in § 302(a) for the bundle of rights recognized by § 106. At least to this extent, the uniformity goal of the basic preemption provision is compromised.

95. See H.R. REP. NO. 101-514, at 21 (1990), reprinted in 1990 U.S.C.C.A.N. 6915, 6931 ("[T]he new Federal law will not preempt State causes of action relating to works that are not covered by the law, such as audiovisual works, photographs produced for non-exhibition purposes, and works in which the copyright has been transferred before the effective date.").

96. Although the works protected by these statutes varies, they generally apply to the same kinds of "works of visual arts" as those covered by VARA. See *supra* text accompanying notes 84, 93.

97. CAL. CIV. CODE. § 987 (West 2007) (effective Jan. 1, 1980).

98. N.Y. ARTS & CULT. AFF. LAW §§ 11.01, 14.01-03 (McKinney Supp. 2007) (effective Dec. 31, 1984). See generally Edward J. Damich, *The New York Artists' Authorship Rights Act: A Comparative Critique*, 84 COLUM. L. REV. 1733 (1984) (comparing New York's statute with similar legislation in California and France).

99. Statutes which follow the California model include CONN. GEN. STAT. ANN. §§ 42-116s to t (West 2000); MASS. GEN. ANN. LAWS, ch. 231, § 85S (West 2000); N.M. STAT. ANN. §§ 13-4B-1 to -3 (LexisNexis 2004); and 73 PA. CONS. STAT. ANN. §§ 2101-2110 (West 1993). Statutes which follow the New York model include LA. REV. STAT. ANN. §§ 51:2151 to :2156 (West 2003); 27 ME. REV. STAT. ANN. tit. 27, § 303 (2007); NEV. REV. STAT. ANN. §§ 597.720-.760 (LexisNexis 2007); N.J. STAT. ANN. §§ 2A:24A-1 to -8 (West 2000); and R.I. GEN. LAWS §§ 5-62-2 to -6 (2004). Another group of states have enacted legislation, conferring a variety of an even more limited range of rights on creators of works of visual arts. See, e.g., 815 ILL. COMP. STAT. ANN. 320/0.01-8 (West 1999) (granting artists rights in context of consignment to art dealers); S.D. CODIFIED LAWS §§ 1-22-9 to -17 (2005 & Supp. 2007) (preserving certain rights for artists whose works are purchased with state money and displayed in public buildings); UTAH CODE ANN. § 9-6-409 (2003) (granting rights with respect to commissioned works of art).

100. For example, while some of the statutes, such as California's, require that the work be one of "recognized quality," that requirement is absent in other statutes. CAL. CIV. CODE. § 987(b)(2).

fine art, either intentionally or, in certain cases, by gross negligence.¹⁰¹

By contrast, the New York Act only makes it unlawful to knowingly display publicly, publish, or reproduce a work of fine art “in an altered, defaced, mutilated or modified form,”¹⁰² and then only “if the work is displayed, published or reproduced as being the work of the artist, or under circumstances under which it would reasonably be regarded as being the work of the artist, and damage to the artist’s reputation is reasonably likely to result therefrom.”¹⁰³ Therefore, the New York Act would not prohibit the complete destruction and the subsequent removal of such works; nor would it reach the mutilation or alteration of a work if done with appropriate notice and disclaimer. In addition, both statutes also contain provisions dealing with the artist’s right of attribution: both the right to claim authorship and the right, “for just and valid reason,” to disclaim authorship of the work.¹⁰⁴ In sum, although there is some variation between these statutory approaches to protecting artists’ moral rights, it is clear that there is significant overlap between the protection given to works of fine art by these two types of state statutes and by the federal VARA.

As noted, § 301(f) has a similar preemptive reach as the basic preemption provision in § 301(a).¹⁰⁵ The goal of both provisions is to achieve uniformity between state and federal law. Therefore, to the extent that VARA occupies the area by affording certain moral rights for specified works of the visual arts, the differing, additional measure of protection that these state laws purport to extend must be foreclosed. As with the preemption of other state legislative or common law causes of action, these state laws are no longer permitted to grant “equivalent rights”¹⁰⁶ to those conferred by VARA.¹⁰⁷

101. *Id.* § 987(c). Like VARA, the Act does not apply to works made for hire, see *id.* § 987(a), (b)(1), (b)(7), and it also has special provisions for works of art which cannot be removed from a building without substantial physical defacement or alteration. See *id.* § 987(h).

102. N.Y. ARTS & CULT. AFF. LAW § 14.03(1).

103. *Id.*

104. CAL. CIV. CODE. § 987(d); N.Y. ARTS & CULT. AFF. LAW § 14.03(2)(a).

105. See *supra* text accompanying notes 90, 93-95.

106. The meaning of “equivalent rights” under 17 U.S.C. § 301(f) raises the same kinds of problems in this context as are discussed more generally in this Article. See *infra* Part II.A.2.

107. For example, VARA gives to the author of a work of visual art the right to “prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation.” 17 U.S.C. § 106A(a)(3)(A) (2000). Therefore, although that conduct is also proscribed by the California statute (and under certain circumstances also by the New York statute), see *supra* notes 101-103, because of § 301(f), any cause of action by a living author, challenging such distortion or mutilation of a

A handful of cases, applying pre-VARA law, incorrectly held that claims under the New York statute were not preempted.¹⁰⁸ More

work of visual art created after 1990, would have to be asserted only under the federal statute. However, because the rights created by VARA endure only for the life of the author, *id.* § 106A(d)(1), claims for such distortion or mutilation occurring after his or her death could be asserted under state law. *See id.* § 301(f)(2)(C); *see also* Robert A. Gorman, *Visual Artists Rights Act of 1990*, 38 J. COPYRIGHT SOC'Y U.S.A. 233, 240 (1991) (noting that VARA "is not an unmixed blessing for artists," since it will preempt some broader rights previously extant under state laws).

108. In *Wojnarowicz v. American Family Ass'n*, a professional artist complained that the defendant had, without his authorization, copied and distributed fragments of his works. 745 F. Supp. 130, 132-33 (S.D.N.Y. 1990). He brought an action under the 1976 Act and under the New York statute (his state law theory was that the alteration and distribution of his work injured his reputation). *See id.* at 139. The court recognized that the copyright claim was shielded by the fair use doctrine. *Id.* at 142-43. However, the court nonetheless allowed his action under New York law to proceed, rejecting the defendant's preemption argument because the aim of the New York statute—the protection of the artist's reputation—and its elements were different. *Id.* at 135. As to the latter, the court pointed to the statutory requirement that the work must be altered or modified, that this modification must be attributed to the artist, and that this conduct must damage his reputation. *Id.* at 135-36.

There is little authority for looking to the "aim" of the drafters of a state statute for evaluating the scope of preemption. And, as discussed below, it is not enough, to avoid preemption, merely to point to one or more additional, but perhaps trivial, elements. *See infra* Part II.A.2.a. Those elements must change the nature of the action, so that it is *qualitatively different* from a copyright infringement action. *See supra* text accompanying note 148. Here, the gravamen of the plaintiff's complaint, plain and simple, was the violation of the copyright owner's exclusive rights of reproduction, transformation, and distribution, which are at the heart of a copyright infringement claim. The court erred in concluding that the state claim was not preempted, since the congressional determination that federal law should not afford the copyright owner a claim with respect to this alleged infringement was frustrated by allowing a cause of action under state law for the self-same conduct.

The court further erred by relying on the preemption provision (§ 301(f)) in VARA, which at that point had been passed by the House but had not yet been acted upon by the Senate, as "demonstrating that Congress does not currently view the various state 'moral rights' laws, including New York's, as preempted by the Copyright Act." *Id.* at 136 n.2. Indeed, regardless of VARA, those state laws, or at least portions thereof, must be preempted if they fall within the conditions specified in § 301(a).

In *Pavia v. 1120 Avenue of the Americas Associates*, a well-known sculptor brought an action, under the New York statute, for the unauthorized modification and display of his multi-part sculpture, growing out of the defendant's disassembly and then re-installation of a part of the sculpture in a different location. 901 F. Supp. 620, 623-24 (S.D.N.Y. 1995). Because the challenged conduct occurred before the effective date of VARA, the court, relying on § 301(f)(2)(A), correctly rejected the defendant's preemption argument under VARA. *Id.* at 626-27. Relying on *Wojnarowicz*, the court reached a more questionable conclusion that the New York statute, § 14.03, was not preempted by § 301(a), adding that "the fact that VARA was eventually added to the Copyright Code, granting authors rights similar to those provided in § 14.03, indicates that the rights granted by § 14.03 are not equivalent to those in the pre-VARA Code." *Id.* at 627. Once again, the court reached the wrong conclusion on § 301(a) preemption because it failed to discuss, much less properly to weigh, the factors set forth in that provision. *See also* *Schatt v. Curtis Mgmt. Group, Inc.*, 764 F. Supp. 902, 911 n.14 (S.D.N.Y. 1991) (following *Wojnarowicz*); Roberta Rosenthal

recent cases have recognized that VARA probably has resulted in the preemption of these state laws.¹⁰⁹ However, in any event, even if it were decided that a state cause of action for infringement of a visual artist's moral rights did not fall within § 301(f), that conclusion ought not to preclude preemption under the general provision of § 301(a).¹¹⁰

Kwall, *How Fine Arts Fares Post VARA*, 1 MARQ. INTELL. PROP. L. REV. 1, 32-33 (1997) (“[T]hose state provisions that provide more comprehensive protection to works covered by VARA probably would be deemed preempted by VARA, although the possibility exists that courts would sever the preempted provisions and uphold the remainder of the state statutes.”).

109. See, e.g., *Cort v. St. Paul Fire & Marine Ins. Cos.*, 311 F.3d 979, 984 n.1 (9th Cir. 2002) (“[I]t appears that [the California Art Preservation Act] may have been preempted by VARA.”); *Bd. of Managers of Soho Int’l Arts Condo. v. City of New York*, No. 01 CV 1226 DAB, 2003 WL 21403333, at *16 (S.D.N.Y. June 17, 2003) (“VARA pre-empts the [New York] state statute.”); *Lubner v. City of Los Angeles*, 53 Cal. Rptr. 2d 24, 28 (Cal. Ct. App. 1996) (asserting, as one ground for dismissing action for accidental destruction of works of art, that “it appears that [§] 987 [of the California Civil Code] has been preempted by the Visual Artists Rights Act of 1990”); see also *Pavia*, 901 F. Supp. at 627 (recognizing possibility that “VARA has preempted [N.Y. Act] § 14.03 since the effective date of the federal legislation”); *Wojnarowicz*, 745 F. Supp. at 135 n.2 (noting that the then-pending VARA bill “would arguably preempt state laws such as the New York Artists’ Authorship Rights Act which currently provide similar rights”). But see 136 CONG. REC. H13,314 (daily ed. Oct. 27, 1990) (statement of Rep. Kastenmeier) (“This . . . amendment narrows the scope of the general preemption language. It clarifies that Congress does not intend to preempt section 989 of the California Civil Code, the ‘cultural heritage protection,’ or any other similar State code.”).

In *Gegenhuber v. Hystopolis Productions, Inc.*, the plaintiffs brought an action in state court, premised, inter alia, on a state-based right of attribution for their role in creating, designing, and directing a puppet show for adults. No. 92 C 1055, 1992 WL 168836, at *1-2 (N.D. Ill. July 13, 1992). The defendant removed to district court on the ground that their claim was based on federal copyright law, and thus, the state claim was preempted. *Id.* at *2. The court initially concluded that puppets and costumes were not “works of visual art” under VARA, and that “if a type of work is not included in the definition of ‘visual art,’ the copyright laws afford an author no entitlement to attribution, even where the author’s work may otherwise be copyrightable.” *Id.* at *3. The court then held that the claim was not preempted by § 301, because the “[p]laintiffs’ claimed right of attribution . . . [did] not fall under VARA and thus not within the subject matter of copyright.” *Id.* at *4.

110. See Kwall, *supra* note 108, at 44 (“[S]tate created moral rights statutes covering non-VARA copyrightable works face a strong possibility of preemption by virtue of [§ 301(a) of] the 1976 Act.”). In *Phillips v. Pembroke Real Estate, Inc.*, for example, the district court held—without ever mentioning the possibility of preemption—that, although the plaintiff had no claim under VARA for the removal by the defendant of some of his sculptures from its park, the plaintiff nonetheless could assert a claim for that same alleged injury under the Massachusetts Art Preservation Act (“MAPA”). 288 F. Supp. 2d 89, 92-93 (D. Mass. 2003), *certifying questions to* 819 N.E.2d 579 (Mass. 2004), *aff’d*, 459 F.3d 128 (1st Cir. 2006). The court acknowledged that the intended removal of those sculptures fell within VARA’s “public presentation” exclusion in § 106A(c)(2)—a provision that the court noted was the product of a widely publicized dispute. *Id.* at 99-100. But, after reciting that MAPA “provides broader protection to artists than the federal statute,” *id.* at 100, the court granted preliminary injunctive relief to the plaintiff under state law, apparently oblivious to the fact that § 301 might pose an obstacle.

Nonetheless, I believe that the preemption of state moral rights claims ought not to be as broad as for causes of action seeking relief for injuries of a more traditional copyright nature. Under the regime that prevailed under the 1909 Act, common law copyright was, for the most part, parallel to federal protection—it was principally available for works only prior to their “publication.”¹¹¹ By contrast, some forms of state protection for moral rights were and are supplemental to federal protection—they afford rights that are simply not available under present-day federal law.¹¹²

Moral rights obviously might be claimed for a variety of works—both for “works of the visual arts” under VARA and for other works. But, the fact that VARA *expressly declined to preempt* certain moral rights not extended by that statute for works of the visual arts,¹¹³ with the knowledge of existing state law protection for certain moral rights, indicates a congressional decision to permit continued state protection of those rights. In addition, because of the similarity of the language in subsections 301(a) and (f), it is certainly arguable that the inclusion of this limited preemption provision in VARA represents a larger congressional recognition of the continued desirability and importance of some state protection for moral rights for all types of “works.”

As a third consideration, a preference for a more limited preemption of state-based moral rights claims is also counseled by American obligations under the Berne Convention.¹¹⁴ This multilateral convention adopts a “national treatment” approach, imposing a duty on the United States, as a signatory state, to accord the same rights to nationals of other member states as are given to its own nationals.¹¹⁵ The Convention also imposes certain minimum obligations with respect to the copyright rights that must be afforded by the United States to nationals of all signatory states. Among these

After both parties filed interlocutory appeals, the district court certified the scope of protection afforded to the plaintiff's work by MAPA to the Massachusetts Supreme Judicial Court. *See Phillips v. Pembroke Real Estate, Inc.*, 459 F.3d 128, 132 (1st Cir. 2006). After the Massachusetts court concluded that MAPA did not extend to site-specific works such as the plaintiff's, the district court vacated its preliminary injunction. *Id.* (citing *Phillips v. Pembroke Real Estate, Inc.*, 819 N.E.2d 579, 585-86 (Mass. 2004)).

111. *See supra* Part I.A.

112. *Cf.* Edward J. Damich, *The Visual Artists Rights Act of 1990: Toward a Federal System of Moral Rights Protection for Visual Art*, 39 CATH. U. L. REV. 945, 972 (1990) (arguing for narrower scope of preemption so as to permit continued reliance on the broader state moral rights statutes); Nakashima, *supra* note 42, at 215-16.

113. *See* 17 U.S.C. § 301(f)(2)(B) (2000); *supra* text accompanying notes 93-95.

114. Berne Convention, *supra* note 91.

115. *Id.* at art. 5.

provisions, Article 6bis of the Convention specifically requires the recognition of certain moral rights.¹¹⁶

In the late 1980s, when Congress was considering whether to ratify the Berne Convention, the nature and extent of American compliance with this obligation was one of the key subjects of discussion and debate.¹¹⁷ Although it is questionable whether the then-existing combination of federal and state moral rights laws was indeed sufficient to satisfy this responsibility, both the text of the Berne Implementation Amendments and the legislative history recognized the need to satisfy it, and clearly indicate a reliance on this combination to support the conclusion that the United States had, in fact, met its treaty obligations.¹¹⁸ A more expansive approach to the

116. Article 6bis(1) of the Berne Convention provides:

Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.

Id. at art. 6bis.

117. "Article 6bis of Berne has generated one of the biggest controversies surrounding United States adherence to Berne." H.R. REP. NO. 100-609, at 32 (1988).

118. The recognition of this obligation, and the affirmation of the belief that the existing combined body of state and federal laws was sufficient to meet it, were made explicit in several provisions of the Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853. Section 2(3) of that Act provides that "[t]he amendments made by this Act, together with the law as it exists on the date of the enactment of this Act [October 31, 1988], satisfy the obligations of the United States in adhering to the Berne Convention and no further rights or interests shall be recognized or created for that purpose." *Id.* § 2(3), 102 Stat. at 2853. Section 3(a) of the Act provides that "[t]he provisions of the Berne Convention—(1) shall be given effect under title 17, as amended by this Act, and any other relevant provision of Federal or State law, including the common law." *Id.* § 3(a), 102 Stat. at 2853 (emphasis added). Section 3(b) of the Act reads:

(b) The provisions of the Berne Convention, the adherence of the United States thereto, and satisfaction of United States obligations thereunder, do not expand or reduce any right of an author of a work, *whether claimed under Federal, State, or the common law—*

(1) to claim authorship of the work; or

(2) to object to distortion, mutilation, or other modification of, or other derogatory action in relation to the work, that would prejudice the author's honor or reputation.

Id. § 3(b), 102 Stat. at 2953-54 (emphasis added).

Recognition of the importance of state law in fulfilling this obligation is elaborated in the legislative history. For example, the Senate Committee on the Judiciary Report states: "[P]rotection is provided under existing U.S. law for the rights of authors listed in Article 6bis This existing U.S. law includes . . . various state statutes, and common law principles such as libel, defamation, misrepresentation, and unfair competition" S. REP. NO. 100-352, at 9 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3714. Similarly, the House Committee on the Judiciary Report pointed to a variety of state laws which afforded some measure of protection for moral rights: "[s]tate and local laws include those relating to publicity, contractual violations, fraud and misrepresentation, unfair competition,

preemption of those state-based causes of action for moral rights would be directly inconsistent with this recognition of the importance of state law in fulfilling our international obligations. Indeed, any significant post-accession restriction on state protection for moral rights would make it even more doubtful that the United States is in full compliance with its obligations under the Berne Convention.

The Berne Amendments also added a subsection to § 301 of the Copyright Act, indicating that American adherence to the Convention would not affect the basic scope of preemption of state law.¹¹⁹ Although Congress concluded that the Berne Convention's inclusion of moral rights among those rights which must be afforded by member states did not require any expansion of those rights beyond existing federal or state law,¹²⁰ § 301 also furnishes no basis for either contracting those rights previously available under state law or for restricting a natural expansion of state-based rights that are consistent with those pre-1988 norms.¹²¹ This combination of historical coexistence and international comity point to a broader allowance of state-based moral rights claims, and thus, a narrower range of preemption, than for state claims that about the economically-grounded interests traditionally protected by copyright.

c. Resale Royalty Rights

Another right recognized under certain European systems is the so-called *droit de suite*, or resale royalty right.¹²² This "right"

defamation, and invasion of privacy. In addition, eight states have recently enacted specific statutes protecting the rights of integrity and paternity in certain works of art." H.R. REP. NO. 100-609, at 34.

119. "The scope of Federal preemption under this section is not affected by the adherence of the United States to the Berne Convention or the satisfaction of obligations of the United States thereunder." 17 U.S.C. § 301(e) (2000); see H.R. REP. NO. 100-609, at 39 ("[T]his amendment [adding § 301(e)] once again reinforces the neutrality of the implementing legislation: adherence to Berne, and the satisfaction of our obligations under the Convention, will have no effect on the law of preemption under section 301."); accord S. REP. NO. 100-352, at 11, *reprinted in* 1988 U.S.C.C.A.N. at 3716.

120. See *supra* note 118 and accompanying text.

121. Indeed, Congress apparently intended that this development of state law would continue unaffected by the Berne Convention. For example, the Senate Judiciary Committee Report states: "Courts should be as free to apply common law principles and to interpret statutory provisions, with respect to claims of the right of paternity and the right of integrity as they would be in the absence of U.S. adherence to Berne." S. REP. NO. 100-352, at 10, *reprinted in* 1988 U.S.C.C.A.N. at 3715; accord H.R. REP. NO. 100-609, at 40.

122. Although the *droit de suite* is sometimes described as a "moral right," it is in fact at best only "quasi-moral." While moral rights recognize artistic and reputational, rather than economic, interests, resale royalty rights are designed solely to increase the economic rewards to the creators of certain artistic works. The Berne Convention provides for the *droit de suite*. See Berne Convention, *supra* note 91, at art. 14ter(1). However, in

affords to the artist, sculptor, or creator of other works of fine art a portion of the appreciation in the value of the work of art, from the time of its original sale to its subsequent resale.¹²³ The right is predicated in part on the principle that this appreciation is usually, at least to some degree, attributable to the artist's subsequent efforts and growing fame.¹²⁴ The 1976 Act, however, does not provide such a right. Although the bills that eventually led to the enactment of VARA in 1990 originally contained provisions providing for the creation of a federal *droit de suite*,¹²⁵ Congress eventually opted *against* the addition of a resale royalty right, and, instead, settled for the inclusion in VARA of a provision calling for a study, by the Copyright Office, of the feasibility of implementing such a right.¹²⁶

contrast to Article 6bis, which makes it mandatory for all signatory states to afford protection to moral rights, see *supra* note 116 and accompanying text, the Convention provides that "protection [for the *droit de suite*] . . . may be claimed in a country of the Union only if legislation in the country to which the author belongs so permits, and to the extent permitted by the country where this protection is claimed." Berne, *supra* note 91, at art. 14ter(2). Notwithstanding the apparently permissive nature of this obligation, Professor Nimmer asserts that "[t]he question remains whether a country may permit *no* recognition of the *droit de suite* and still comply with Berne." 2 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8C.04[A][2] (2007).

123. See John Henry Merryman, *The Wrath of Robert Rauschenberg*, 40 J. COPYRIGHT SOC'Y U.S.A. 241 (1992). For a further discussion of whether *droit de suite* is compatible with American copyright law, see generally Elliott C. Alderman, *Resale Royalties in the United States for Fine Visual Artists: An Alien Concept*, 40 J. COPYRIGHT SOC'Y U.S.A. 265, 268-72 (1992); Monroe E. Price, *Government Policy and Economic Security for Artists: The Case of the Droit de Suite*, 77 YALE L.J. 1333 (1968); Neil F. Siegel, *The Resale Royalty Provisions of the Visual Artists Rights Act: Their History and Theory*, 93 DICK. L. REV. 1 (1988); Michael B. Reddy, *The Droit de Suite: Why American Fine Artists Should Have the Right to a Resale Royalty*, 15 LOY. L.A. ENT. L. REV. 509 (1995).

124. See Alderman, *supra* note 123, at 271. Other possible reasons for the appreciation in value are that the artist may originally have undervalued the work or may have lacked the financial wherewithal to bargain for its full value. Different treatment is arguably justified for works of fine art for another reason—they are created singly or in limited numbers, and there may be little value in the subsequent right of reproduction, performance, or creation of a derivative work of such works. One characteristic giving value to a painting or sculpture is its uniqueness, and this value may be realized only from ownership or sale of the original copy. By comparison, the author of a literary work or the composer of a musical work may reap benefits from the reproduction and distribution of his or her work even years after its creation, and perhaps in different media, and he or she may also gain economic benefits from its performance or reworking.

125. See H.R. 3221, 100th Cong. § 3(2)(d)(1) (1990); S. 1619, 100th Cong. § 3(2)(d)(1) (1990); see also Shira Perlmutter, *Resale Royalties for Artists: An Analysis of the Register of Copyrights' Report*, 40 J. COPYRIGHT SOC'Y U.S.A. 284, 285, 285 n.11 (1992) (noting that legislative proposals to afford a federal *droit de suite* date to the 1960s, and that the first bill to attempt to create such a right was introduced in Congress in 1978).

126. See Visual Artists Rights Act of 1990, Pub. L. No. 101-650, § 608(b), 104 Stat. 5089, 5132; see also H.R. REP. NO. 101-514, at 23 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6933 (describing resale royalty as "a controversial provision, which was not included in [the enacted bill]. Instead, the Committee [on the Judiciary] believes that the Congress

Furthermore, this right appears to fly in the face of the “first sale” doctrine found in the 1976 Act, which gives to the owner of a lawfully made copy of a work the apparently unconditional right, “without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.”¹²⁷

In fact, protection of such a right at the state level has been afforded only by a single state.¹²⁸ In 1976, California enacted the Resale Royalties Act,¹²⁹ which confers such rights on creators of works of fine arts.¹³⁰ In the only decision to consider the validity of the California statute, *Morseburg v. Balyon*, the Ninth Circuit rejected a challenge to the California Act.¹³¹ However, that case only analyzed possible preemption under the 1909 Act and the U.S. Constitution.¹³²

should await the results of the Copyright Office study before deciding whether any such provision is appropriate.”).

The Report required by the statute was issued in 1992. OFFICE OF GEN. COUNSEL, U.S. COPYRIGHT OFFICE, *DROIT DE SUITE: THE ARTIST'S RESALE ROYALTY* (1992) [hereinafter REPORT]. Its conclusion stated that “the Copyright Office is not persuaded that sufficient economic and copyright policy justification exists to establish *droit de suite* in the United States.” *Id.* at 149. See generally Perlmutter, *supra* note 125, at 313 (canvassing arguments for and against enactment of the federal statute and concluding that Report was “unduly negative”).

127. 17 U.S.C. § 109(a) (2000). While admittedly the obligation of the reseller to pay a resale royalty does not prevent a sale which the “first sale” permits, the requirement created by state law, to share a portion of the resale price with the creator of the work, diminishes the value of the unrestricted resale right conferred by federal law.

128. See CAL. CIV. CODE § 986 (West 2007). The Commonwealth of Puerto Rico also provides for resale royalties under the Intellectual Property Act of July 15, 1988, P.R. LAWS ANN. tit. 31, § 1401h (1993). *Droit de suite* legislation has been unsuccessfully introduced in at least eleven other state legislatures. See REPORT, *supra* note 126, at 75.

129. CAL. CIV. CODE § 986.

130. The California Act applies only to sales of works of fine arts, where the gross sales price is in excess of \$1000. See *id.* § 986(b)(2). It also applies only where either “the seller resides in California or where the sale takes place in California,” *id.* § 986(a); and where the artist is either an American citizen or has resided in California for at least two years. *Id.* § 986(c)(1). For these covered transactions, the seller must pay five percent of the sales price to the buyer (and not just the appreciation in value of the work), *id.* § 986(a), except where the sales price is less than the purchase price paid by the seller. *Id.* § 986(b)(4). Although as originally enacted the resale right terminated on the artist's death, *id.* § 986(b)(3), the Act was subsequently amended to extend these rights for twenty years beyond the life of an artist who died after January 1, 1983, *id.* § 986(a)(7).

The Puerto Rico statute, which is far less detailed than California's, provides that the creator of “a work of art is entitled to receive five (5) percent of the increase in the value of said work at the moment it is resold.” P.R. LAWS ANN. tit. 31, § 1401h.

131. 621 F.2d 972, 974-75 (9th Cir. 1980).

132. See *id.* at 976-78 (rejecting the arguments that the California statute was inconsistent with the balance of interests, and federal v. state protection thereof, reflected in the Copyright Clause, and was also preempted by the Contracts Clause and the Due Process provisions of the U.S. Constitution). Because the California Act became effective on January 1, 1977, and the sale in question occurred in March, 1977, the Copyright Act of

Regardless of whether *Morseburg* correctly decided the challenges to the California Act on those two bases,¹³³ the inclusion of a specific preemption provision and of the first sale doctrine in the 1976 Act¹³⁴—and Congress’s subsequent “affirmative inaction” in failing to create a federal resale royalty right¹³⁵—show that the California statute certainly ought to be preempted by § 301.

As with moral rights,¹³⁶ a resale royalty right is “within the general scope of copyright” and is a right that could be conferred on the owner of a copyright under the copyright statutes. And, because it reallocates the balance between the author and subsequent purchasers of the distribution right established by the Copyright Act,¹³⁷ it involves rights that are “equivalent to,” albeit not identical to, the rights conferred by § 106 of the Act.¹³⁸ Thus, while there may be sound policy arguments for affording such a right to creators of works of the fine arts, this is a decision that should be made by Congress, to achieve uniformity throughout the United States.¹³⁹

1976 was not implicated, since the effective date of that statute was January 1, 1978. *Id.* at 974 n.1, 975, 975 n.2.

133. Two cases that cited *Morseburg v. Baylon* have hinted that subsequent events may have undermined the court’s analysis of the validity of the California Resale Royalties Act. See *Associated Film Distribution Corp. v. Thornburgh*, 520 F. Supp. 971, 992 n.36 (E.D. Pa. 1981) (noting that the Supreme Court had recently held that “even in the area of domestic relations, which ‘belongs to the laws of the States and not to the laws of the United States. . . . [sic],’ a state’s community property laws must give way to federal law” (alteration in original) (citing *McCarty v. McCarty*, 453 U.S. 210 (1981), quoting *In re Burrus*, 136 U.S. 586, 593-94 (1890)), *rev’d on other grounds*, 683 F.2d 808 (3d Cir. 1982); *Robert H. Jacobs, Inc. v. Westoaks Realtors, Inc.*, 205 Cal. Rptr. 620, 625 (Cal. Ct. App. 1984) (noting Professor Nimmer’s argument “that the Resale Royalties Act is also preempted by the 1976 Copyright Act”).

134. The *Morseburg* court explicitly noted that “[w]e do not consider the extent to which the 1976 Act . . . may have preempted the California Act [O]ur holding, as well as our reasons, . . . are addressed to the 1909 Act only.” 621 F.2d at 975.

135. The House Report on VARA indicated that the new preemption provision therein, § 301(f), would not foreclose a claim for resale royalties. “[T]he law will not preempt a cause of action . . . for a violation of a right to a resale royalty.” H.R. REP. NO. 101-514, at 21 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6931. However, since this statement was made without providing any analysis or citing any authority, it should at most apply only to preemption under § 301(f), and it should not foreclose a court from finding such a claim preempted by the general provision in § 301(a).

136. See *supra* Part II.A.1.b.

137. See 17 U.S.C. § 106(3) (2000).

138. Section 109(a) explicitly recites that the “first sale” limitation is an exception to the exclusive rights conferred by § 106(3). *Id.* § 109(a).

139. At present, California is the only state affording such a right. See *supra* notes 128-134 and accompanying text. The lack of national uniformity would be accentuated by multiple state laws, varying in the percentage amount of the royalty, the duration of the right, the works to which it applied, and so forth. The fact that, at present, only one state has such a statute heightens the incentives for Californians to engage in behavior to avoid this obligation.

Until the 1976 Act is amended to create a *droit de suite*, the absence of such a federal right should foreclose the recognition of a similar right under state law.¹⁴⁰

2. State Claims Must be "Equivalent To" Federal Rights

Section 301 preempts state claims that are "equivalent to" the rights within the general scope of copyright. This requirement has proven to be the most frequent source of difficulty for the courts in interpreting and applying § 301. The variety of state law theories asserted to prosecute claims for infringement of various forms of intellectual property is in part a testimony to the versatility and creativity of the legal profession.¹⁴¹ These claims have varied sources, drawing on the full range of contract, tort, and property law.¹⁴²

140. A number of commentators have concluded that state resale royalty protection is preempted by the 1976 Act. See NIMMER & NIMMER, *supra* note 122, § 8C.04[C][1]; Gordon P. Katz, *Copyright Preemption Under the Copyright Act of 1976: The Case of Droit de Suite*, 47 GEO. WASH. L. REV. 200, 219-22 (1978); Lynn K. Warren, Comment, *Droit de Suite: Only Congress Can Grant Royalty Protection for Artists*, 9 PEPP. L. REV. 111, 127-29 (1981); see also Lewis D. Solomon & Linda V. Gill, Commentary, *Federal and State Resale Royalty Legislation: "What Hath Art Wrought?,"* 26 UCLA L. REV. 322, 340 (1978) ("While the *Morseburg* court chose to ignore the preemption implications of the new Act, the argument for a future contrary holding is appealing."). Indeed, the Register's Study reached a similar conclusion: "[t]he *Thornburg* court's analysis together with the view of copyright experts firmly suggest that any state *droit de suite* provision would be preempted under the current Copyright Law." REPORT, *supra* note 126, at 86 (citing *Associated Film Distribution Corp. v. Thornburgh*, 520 F. Supp. 971 (E.D. Pa. 1981)).

141. See, e.g., *Patriot Homes, Inc. v. Forest River Housing, Inc.*, 489 F. Supp. 2d 865, 871-75 (N.D. Ind. 2007) (holding that certain aspects of claims for conversion, theft of trade secrets, tortious interference with contractual relations and with prospective business advantage, and unfair competition were preempted, while other aspects of those claims were not preempted); *Price v. Fox Entm't Group, Inc.* 473 F. Supp. 2d 446, 453, 460-61 (S.D.N.Y. 2007) (concluding, in an action complaining of failure to treat a plaintiff as a co-author and to account to him for profits, that claims for breach of contract, conversion, conspiracy to commit conversion, and misappropriation were preempted, but that a claim for quantum meruit was not preempted); *Blue Nile, Inc. v. Ice.com, Inc.*, 478 F. Supp. 2d 1240, 1246-52 (W.D. Wash. 2007) (holding, in an action alleging infringement of the "look and feel" of a website, that claims for unfair competition, unjust enrichment, restitution, and violation of state consumer protection act were preempted); *McArdle v. Mattel Inc.*, 456 F. Supp. 2d 769, 776-79 (E.D. Tex. 2006) (holding, in an action by the author of a book complaining that a toy manufacturer used his ideas, materials, and creative expressions to create a line of toys, that claims for unjust enrichment, quantum meruit, and misappropriation were preempted, while claims for breach of contract, fraud, and negligent misrepresentation were not); *Chalfant v. Tubb*, 453 F. Supp. 2d 1308, 1318-21 (N.D. Okla. 2006) (finding, in an action by authors of a screenplay against a film maker, no preemption of claims for unfair competition, unfair trade practices, fraud, constructive fraud, deceit, breach of contract, and unjust enrichment, but preempting a claim for tortious interference with prospective economic advantage); *A Slice of Pie Prods., LLC v. Wayans Bros. Entm't*, 392 F. Supp. 2d 297, 314-17 (D. Conn. 2005) (finding, in an action by the owner of a copyright in a screenplay alleging that a motion picture producer incorporated elements of

The House Committee version of the bill that finally became the 1976 Act actually had a listing of various state law theories that would *not* be preempted. These included “rights against misappropriation not equivalent to any of such exclusive rights, breaches of contract, breaches of trust, trespass, conversion, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation.”¹⁴³ However, these examples were removed from the version of the preemption provision that ultimately became law.¹⁴⁴ One conclusion that may be drawn from this legislative history is that these listed examples were deemed superfluous, and their deletion did not change the congressional objective that they not be preempted. An alternative interpretation is that Congress did not want to resolve these questions conclusively, perhaps because the content of these claims might vary from state to state, and perhaps because the elements of at least some of these

the screenplay into a film, that claims for unfair competition, passing off, idea misappropriation, and conversion were preempted); *Hustlers, Inc. v. Thomasson*, 253 F. Supp. 2d 1285, 1292-94 (N.D. Ga. 2002) (concluding that claims for breach of contract, unjust enrichment, breach of fiduciary duty, fraud, and promissory estoppel were not preempted); *Video Pipeline, Inc. v. Buena Vista Home Entm't., Inc.*, 210 F. Supp. 2d 552, 555, 563-70 (D. N.J. 2002) (holding, in a dispute over motion picture advertising trailers asserting claims for unfair competition, breach of contract, unjust enrichment, conversion, and replevin, that only the unjust enrichment claim was preempted), *aff'd*, 342 F.3d 191 (3d Cir. 2003); *CoStar Group Inc. v. LoopNet, Inc.*, 164 F. Supp. 2d 688, 692, 712-15 (D. Md. 2001) (holding, in an action asserting copyright infringement for unauthorized use of plaintiffs' photographs and claims for unfair competition, unjust enrichment, reverse passing off, and intentional interference with existing and prospective business relationships, that all of these claims were preempted, but that claims for Lanham Act violations and trade secret misappropriation were not preempted), *aff'd*, 373 F.3d 544 (4th Cir. 2004); *Archie Comic Publ'ns, Inc. v. DeCarlo*, 141 F. Supp. 2d 428, 429, 431-32 (S.D.N.Y.) (dismissing counterclaims for unfair competition, misappropriation, conversion, and unjust enrichment, growing out of alleged interests in copyrighted cartoon figures), *aff'd*, 11 F. App'x 26 (2d Cir. 2001); *Am. Movie Classics Co. v. Turner Entm't Co.*, 922 F. Supp. 926, 929, 931-35 (S.D.N.Y. 1996) (concluding, in an action asserting two counts of copyright infringement based on a defendant's unauthorized broadcasting of motion pictures during the time period when a plaintiff had exclusive exhibition rights, that the state claims for breach of contract, tortious interference with contract, unfair competition through misappropriation of plaintiff's property interests, and unjust enrichment were preempted).

142. *Cf. Gulfstream Park Racing Ass'n v. Tampa Bay Downs, Inc.*, 294 F. Supp. 2d 1291, 1295-96, 1303-04 (M.D. Fla. 2003) (holding that state regulation of wagering on horse races that were simulcast from an out-of-state racetrack was not preempted, since controls on wagering did not regulate “rights equivalent to a copyright”), *aff'd*, 479 F.3d 1310 (11th Cir. 2007).

143. H.R. REP. NO. 94-1476, at 24 (1976).

144. See Copyright Act of 1976, Pub. L. No. 94-553, § 301(b)(3), 90 Stat. 2541, 2572 (codified as amended at 17 U.S.C. § 301(b)(3) (2000)); see also 122 CONG. REC. 32,015 (1976) (reporting on the vote to remove specific state law examples from § 301(b) and related discussions).

claims were thought to be still in a state of evolution. Under either of these alternatives, this listing is at least helpful in delineating the types of claims which are unaffected by § 301.¹⁴⁵ Another, although considerably less likely, possibility is that, by omitting these examples, Congress intended that all of the previously listed examples *would be preempted*.¹⁴⁶

a. "Extra Element" Test

In determining whether various state law claims are "equivalent" to any of the rights within the general scope of copyright, courts have usually resorted to the "extra element" test: Does successful invocation of the asserted claim require proof of an additional legal element?¹⁴⁷ Or, on the other hand, does the state claim merely restate the elements of a copyright claim in a different guise?

The Sixth Circuit has provided a useful formulation of this frequently invoked test:

Equivalency exists if the right defined by state law may be abridged by an act which in and of itself would infringe one of the exclusive rights. Conversely, if an extra element is required instead of or in addition to the acts of reproduction, performance, distribution or display in order to constitute a state-created cause of action, there is no preemption, *provided that the extra element changes the nature of the action so that it is qualitatively different from a copyright infringement claim*.¹⁴⁸

In short, the plaintiff's claim must contain a *meaningful additional element*, rather than merely an allegation such as the defendant's awareness of the plaintiff's rights or claims or intent by the defendant

145. In the legislative history to the Visual Artists Rights Act, passed fourteen years after the Copyright Act of 1976, the House Report stated that "[s]tate law causes of action such as those for misappropriation, unfair competition, breach of contract, and deceptive trade practices, are not currently preempted under section 301, and they will not be preempted under the proposed law." H.R. REP. NO. 101-514, at 21 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915, 6931.

146. But see *National Car Rental System v. Computer Associations International, Inc.*, where the court asserted:

Although the deletion of a provision from a final bill generally means that Congress intends to disavow what was formerly expressed, we believe in this case the facts surrounding the deletion of § 301(b)(3) suggest Congress did not intend to reverse the presumption of non-preemption for the examples initially included in § 301(b)(3).

991 F.2d 426, 433 (8th Cir. 1993).

147. See *Ritchie v. Williams*, 395 F.3d 283, 287 n.3 (6th Cir. 2005) (noting that most circuits have adopted this test, but also noting that the test "has received much criticism").

148. *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 456 (6th Cir. 2001) (emphasis added) (citation omitted).

to deprive the plaintiff of some allegedly protected right.¹⁴⁹ The “extra element” is also not supplied by the fact that state law affords different relief for the unlawful conduct.¹⁵⁰

In invoking the extra element test to determine “equivalence,” courts are faithful to the congressional understanding of the statutory language.¹⁵¹ Moreover, as a matter of policy, this test makes sense, for it reflects the understanding that “equivalent to” is not synonymous with “identical to.” Congress’s enactment of § 301 evidenced its desire to make the federal laws the exclusive basis for determining rights, defenses, and remedies between copyright claimants and others. Therefore, under this approach, courts are required to determine whether there truly are meaningful differences between the state claim and rights created by the federal copyright laws. However, as discussed in the balance of this portion of this Article, judicial application of the test to the large number and variety of claims has given rise to a host of interesting, controversial, oftentimes troubling, and, not surprisingly, inconsistent decisions.

b. Claims Typically Not Preempted

Actions for breach of an express contract (other than one merely promising not to engage in behavior constituting copyright infringement), conversion of a copy of a work, breach of fiduciary duty, fraud, breach of a confidential relationship (including misuse of information which may constitute a trade secret), defamation, and theft of trade secrets are some examples of situations in which the state claim most likely would *not* be preempted. Each of these actions usually requires proof of one or more important elements that are qualitatively different than those needed to prove an infringement of the rights conferred by the Copyright Act. For example, an action for breach of contract requires proof of some agreement between the parties and consideration for the reciprocal promises;¹⁵² an action for

149. See *Briarpatch Ltd. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 306 (2d Cir. 2004) (noting that the proper approach was “a restrictive view of what extra elements transform an otherwise equivalent claim into one that is qualitatively different from a copyright infringement claim”).

150. See *Henry v. Nat’l Geographic Soc’y*, 147 F. Supp. 2d 16, 23 (D. Mass. 2001) (preemption was not avoided by the availability of treble damages and attorneys’ fees for a violation of an unfair competition statute).

151. “[C]ommon law rights . . . would remain unaffected as long as the causes of action contain elements . . . that are different in kind from copyright infringement.” H.R. REP. NO. 94-1476, at 132 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748.

152. The scope of the preemption of breach of contract actions is discussed *infra* Part II.A.2.e.

conversion of tangible property requires proof that the defendant unlawfully obtained (or retains) possession of an object;¹⁵³ an action for breach of fiduciary duty requires proof of the nature of the relationship between the parties which gives rise to expectations of trust and a duty of fair dealing;¹⁵⁴ an action for fraud requires proof of

153. The 1976 Act distinguishes between a "work" and a "copy." See 17 U.S.C. § 101 (2000) ("Copies" are material objects, other than phonorecords, in which a work is fixed"); *id.* § 102(a) ("Copyright protection subsists . . . in original works of authorship"); *id.* § 202 ("Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied."). A novel or play is a "literary work," and it is the subject of copyright protection; the book or computer disk, which is a tangible medium in which the literary work is embodied, is not entitled to copyright protection. Thus, an action for theft or conversion of a limited, first edition of a "book" would not give rise to a claim under the Copyright Act. See, e.g., *Carson v. Dynegy, Inc.*, 344 F.3d 446, 456 (5th Cir. 2003) (holding that an action for refusal to return tangible copies of a worksheet created by the plaintiff was not preempted since "elements of conversion of physical property are . . . qualitatively different than those of copyright infringement"); *Oddo v. Ries*, 743 F.2d 630, 635 (9th Cir. 1984) (holding that an action for conversion of papers comprising plaintiff's manuscript was not preempted); *U.S. Trotting Ass'n v. Chicago Downs Ass'n*, 665 F.2d 781, 785 n.6 (7th Cir. 1981) (holding that a claim for misappropriation of property, based on the allegedly tortious taking of copyrighted certificates and forms, was not preempted); *Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc.*, 210 F. Supp. 2d 552, 568-69 (D. N.J. 2002) (holding that claims for conversion and replevin, based on the failure to return tangible property, were not preempted), *aff'd* 342 F.3d 191 (3rd Cir. 2003); see also *Integrative Nutrition, Inc. v. Acad. of Healing Nutrition*, 476 F. Supp. 2d 291, 298-99 (S.D.N.Y. 2007) (holding that a claim for common law trespass, which asserted that the defendant obtained plaintiffs' intellectual property by unauthorized entry onto the plaintiff's premises, was not preempted); *SecureInfo Corp. v. Telos Corp.*, 387 F. Supp. 2d 593, 619-21 (E.D. Va. 2005) (finding that a claim for detinue, based on the defendant's alleged unauthorized possession and use of a copy of plaintiff's copyrighted software, was not preempted, and analogizing the situation to actions for conversion or trespass, both of which also assert claims to tangible rather than intangible property); cf. *Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 200-01 (2d Cir. 1983) (rejecting, on the merits, a claim for conversion based on a magazine publisher's creation of an unauthorized excerpt of plaintiff's book after obtaining a purloined copy of the original, temporarily removing the copy, copying parts thereof, and returning it undamaged, as "far too insubstantial an interference with property rights to demonstrate conversion"), *rev'd on other grounds*, 471 U.S. 539 (1985).

154. See *Briarpatch*, 373 F.3d at 307-09 (holding that an action for breach of a fiduciary relationship was not preempted); accord *Aagard v. Palomar Builders, Inc.*, 344 F. Supp. 2d 1211, 1219-21 (E.D. Cal. 2004); *Dorsey v. Money Mack Music, Inc.*, 304 F. Supp. 2d 858, 864-65 (E.D. La. 2003). Co-owners of a copyrighted work, including co-authors and partners, have the right to undertake (or authorize others to undertake) any of the acts specified in § 106 with respect to that work without securing permission from another co-owner, and thus, that kind of conduct cannot form the basis of a copyright infringement action. However, such a use of the work by one co-owner may make him or her liable to share any financial benefits received from that use with other co-owners, under a variety of legal theories, including breach of fiduciary duty. Because the co-owner's claim would not be "equivalent to" an action to secure any of the rights protected by the Act, they would not be preempted. See *Oddo*, 743 F.2d at 635 (refusing to preempt a claim that one partner breached his fiduciary duty to his co-partner, since the claim "is quite different from the interests protected by copyright"); cf. *U. S. Naval Inst. v. Charter Commc'ns, Inc.*, 936 F.2d

deceptive representations, confusion, reliance, or specified inequitable conduct;¹⁵⁵ an action for breach of a confidential relationship requires proof of a promise from the defendant that it would maintain that confidence;¹⁵⁶ an action for defamation requires proof of injury to the plaintiff's reputation and publication of the assertion to a third party, and it is subject to such defenses as truth or privilege;¹⁵⁷ and an action for theft of trade secrets requires proof that the plaintiff expected that the information would remain secret, and that the plaintiff took steps to preserve its secrecy.¹⁵⁸ Because of the requirement for evidence of

692, 695 (2d Cir. 1991) (“[A]n exclusive licensee of any of the rights comprised in the copyright, though it is capable of breaching the contractual obligations imposed on it by the license, cannot be liable for infringing the copyright rights conveyed to it.”). *But see* Cambridge Literary Props., Ltd. v. W. Goebel Porzellanfabrik G.M.B.H., 448 F. Supp. 2d 244, 254-56 (D. Mass. 2006) (finding that an action for accounting or imposition of a constructive trust, for compensation due to plaintiff in his alleged status as co-owner of the copyright, was preempted); *Diamond v. Gillis*, 357 F. Supp. 2d 1003, 1008-09 (E.D. Mich. 2005) (preempting a state law claim denominated “action against co-tenants” by a co-author of copyrighted material and co-owner of a copyright against other co-authors and co-owners, where the claim sought “precisely the remedy to which [plaintiff] would be entitled under the Copyright Act” of 1976).

155. *See, e.g.,* Valente-Kritzer Video v. Pinckney, 881 F.2d 772, 776 (9th Cir. 1989) (concluding that an action for common law fraud was not preempted, since it required the additional element of misrepresentation); *Kabehie v. Zoland*, 125 Cal. Rptr. 2d 721, 735 (Cal. Ct. App. 2002) (holding that an action for fraud, which alleged that the defendant misrepresented its ownership of rights to musical compositions and falsely promised to transfer rights including master recordings, was not preempted); *see also Integrative Nutrition*, 476 F. Supp. 2d at 298 (holding that the claim that defendant obtained access to plaintiffs' intellectual property through fraud and misrepresentation was not preempted, since the claim required proof of numerous additional elements); *Firoozye v. Earthlink Network*, 153 F. Supp. 2d 1115, 1127-28 (N.D. Cal. 2001) (holding that an action for misrepresentation was not preempted because it required proof that the defendant made a false statement to the plaintiff with the intent of inducing reliance, and that the plaintiff justifiably relied thereon).

156. *See, e.g.,* Tingley Sys., Inc. v. CSC Consulting, Inc., 152 F. Supp. 2d 95, 104-08 (D. Mass. 2001) (finding that an action for misappropriation of trade secrets was not preempted, since it involved additional element of breach of duty of confidentiality); *see infra* Part II.A.2.f.

157. *See, e.g.,* Laws v. Sony Music Entm't, Inc., 448 F.3d 1134, 1145 (9th Cir. 2006) (“Our holding does not extinguish . . . the general law of defamation and fraud . . . so long as those causes of action do not concern the subject matter of copyright and contain qualitatively different elements than those contained in a copyright infringement suit.”), *cert. denied*, 127 S. Ct. 1371 (2007); *cf. Kindergartners Count, Inc. v. DeMoulin*, 249 F. Supp. 2d 1233, 1251-52 (D. Kan. 2003) (holding that a defamation claim, growing out of defendant's statement to plaintiff's boss that the plaintiff was a plagiarist, was not preempted because a “finding of plagiarism is not contingent upon a finding of copyright infringement”). *But see* *Daboub v. Gibbons*, 42 F.3d 285, 289-90 (5th Cir. 1995) (holding that claims for defamation and plagiarism, which required proof of wrongful copying, distribution, and performance of the lyrics of plaintiff's musical work, were preempted).

158. *See, e.g.,* Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc., 307 F.3d 197 (3d Cir. 2002) (noting that the misappropriation of trade secrets claims based on a breach of the duty of trust can survive preemption). An action for improper taking of a

these meaningful additional elements (or defenses), the policies underlying a single, uniform federal regime for copyright would not be impinged upon by parallel state adjudication of these claims.

c. Unfair Competition

Actions based on an unfair competition theory can arise from a wide variety of allegedly deceptive, abusive, or “unfair” business practices.¹⁵⁹ Since many of these claims do not arise in the context of the alleged misuse of copyrighted or copyrightable materials, they typically would not raise issues of possible preemption under § 301. However, in the majority of the reported cases in which clashes between unfair competition claims and the copyright regime were presented, the courts properly found that the state claims were preempted.¹⁶⁰

The clearest instance of a properly preempted unfair competition claim is one predicated on the unauthorized copying, alteration, or distribution of a copyrighted work.¹⁶¹ Preemption is also

trade secret may also involve the defense of “reverse engineering,” which would be unavailable in a copyright infringement action. Preemption of trade secret claims is discussed in more detail *infra* Part II.A.2.f.

159. “Unfair competition is a general term that includes deceptive trade practices, acts such as trademark infringement, and appropriation of trade values or rights in publicity.” 2 DAN B. DOBBS, *THE LAW OF TORTS* § 457 (2001). *See generally* 1 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 1:1-11 (4th ed. 2006) (outlining the basic principles of unfair competition).

160. *See, e.g.,* ATC Distrib. Group, Inc. v. Whatever It Takes Transmission and Parts, Inc., 402 F.3d 700, 713 (6th Cir. 2005) (holding that an unfair competition claim based on misappropriation of catalog numbers was completely preempted by the Copyright Act); Alcatel USA, Inc. v. DGI Techs., Inc., 166 F.3d 772, 785-90 (5th Cir. 1999) (holding that the Copyright Act preempted an unfair competition claim that lacked any qualitatively different elements).

161. *See, e.g.,* Kodadek v. MTV Networks, Inc., 152 F.3d 1209, 1212-13 (9th Cir. 1998) (finding that an unfair competition claim, premised on the unauthorized copying or the making of derivative versions of plaintiff’s drawings, was preempted); Walker v. Time Life Films, Inc., 784 F.2d 44, 53 (2d Cir. 1986) (reiterating the state court’s conclusion that the “cause of action for unfair competition is preempted . . . to the extent it seeks protection against [the] copying of [plaintiff’s] book”); Durham Indus., Inc. v. Tomy Corp., 630 F.2d 905, 919 (2d Cir. 1980) (preempting a claim for unfair competition, based on the copying of Disney characters, since the relief sought was “equivalent to” that available under Copyright Act); Auscape Int’l v. Nat’l Geographic Soc’y, 461 F. Supp. 2d 174, 191 (S.D.N.Y. 2006) (holding that an unfair trade practices claim, based on “wanton and repeated acts of copyright infringement,” was preempted); Decker, Inc. v. G & N Equip. Co., 438 F. Supp. 2d 734, 7445 (E.D. Mich. 2006) (holding that an unfair competition claim, based on the unauthorized copying of copyrighted illustrations, text, and photographs, was preempted); Irwin v. ZDF Enters. GMBH, No. 04 CIV. 8027(RWS), 2006 WL 374960, at *5-6 (S.D.N.Y. Feb. 16, 2006) (holding that an unfair competition claim, which only differed from copyright infringement in the locus of alleged misconduct, was preempted); Curcio Webb LLC v. Nat’l Benefit Programs Agency, Inc., 367 F. Supp. 2d 1191, 1211-13 (S.D. Ohio

required for state claims that essentially allege the defendant's unauthorized *use* of either copyrighted materials or of ideas or methods falling within the realm of copyright.¹⁶² Allegations that the

2005) (preempting a common law unfair competition claim premised on the unauthorized copying of plaintiff's copyrighted document); *Smith & Hawken, Ltd. v. Gardendance, Inc.*, No. C04-1664 SBA, 2004 WL 2496163, at *4-5 (N.D. Cal. Nov. 5, 2004) (holding that a claim for unfair competition based on the unauthorized duplication of a garden torch, a copyrighted "sculptural work," was preempted); *MasterCard Int'l Inc. v. Nader 2000 Primary Comm. Inc.*, No. 00 Civ. 6068 (GDB), 2004 U.S. Dist. LEXIS 3644, at *15-17 (S.D.N.Y. Mar. 08, 2004) (holding that unfair competition and misappropriation claims, grounded solely on the unauthorized copying of protected expression, were preempted); *Reinke & Assocs. Architects Inc. v. Cluxton*, No. 02 C 0725, 2003 WL 1338485 at *2-3 (N.D. Ill. Mar. 18, 2003) (dismissing a state unfair competition claim based on the unauthorized copying of architectural plans when allegations of "reverse passing off," consumer confusion, and intention to deceive the public were insufficient to avoid preemption); *Mist-On Sys., Inc. v. Gilley's European Tan Spa*, 303 F. Supp. 2d 974, 980 (W.D. Wis. 2002) (holding that an unfair competition claim, predicated solely on the unauthorized copying of materials from plaintiff's website, was preempted); *Bell v. E. Davis Int'l, Inc.*, 197 F. Supp. 2d 449, 463 (W.D.N.C.) (holding that a claim for unfair competition, based on the unauthorized copying of plaintiff's Indian headdress and the subsequent sale of copies of the headdress, was preempted), *aff'd*, 45 F. App'x 253 (4th Cir. 2002); *Meyer v. Giles*, No. 4:92-CV-115, 1992 WL 489770, at *3-4 (W.D. Mich. Nov. 30, 1992) (holding that an unfair competition claim, based on the unauthorized copying of plaintiff's books, was preempted because the allegation of "confusion" was not a meaningful "extra element").

162. See, e.g., *Lipscher v. LRP Publ'ns., Inc.* 266 F.3d 1305, 1310-12 (11th Cir. 2001) (preempting claim for unfair competition, which asserted that defendant's act of obtaining subscription to plaintiff's newsletter by making false representations and then disseminating information therein constituted "acquisition misconduct," because the claim did not contain a meaningful extra element); *Kregos v. Associated Press*, 3 F.3d 656, 665-66 (2d Cir. 1993) (preempting a claim for unfair competition based merely on the defendant's production and distribution of form reporting baseball statistics while noting, "[i]n contrast, unfair-competition claims based upon breaches of confidential relationships, breaches of fiduciary duties and trade secrets have been held to satisfy the extra-element test and avoid § 301 preclusion"); *Del Madera Props. v. Rhodes & Gardner, Inc.*, 820 F.2d 973, 976-77 (9th Cir. 1987) (preempting an unfair competition claim seeking compensation for "effort expended to create tangible works of authorship" based on the defendants' alleged profiting from the use of documents created by the plaintiff at considerable expense and effort); *Ehat v. Tanner*, 780 F.2d 876, 877-78 (10th Cir. 1985) (preempting unfair competition and unjust enrichment claims, based on defendants' unauthorized copying of quotations from journals of third-party, that were found by plaintiff during the course of his research); *A Slice of Pie Prods., LLC v. Wayans Bros. Entm't*, 392 F. Supp. 2d 297, 315-16 (D. Conn. 2005) (holding that an unfair competition claim, based on the allegation that defendant used content and ideas from plaintiff's screenplay to create a motion picture, was preempted); *RDF Media Ltd. v. Fox Broad. Co.*, 372 F. Supp. 2d 556, 565-66 (C.D. Cal. 2005) (preempting an unfair competition claim based on the copying of the format of a copyrighted television show); *Faulkner v. Nat'l Geographic Soc'y*, 211 F. Supp. 2d 450, 477-78 (S.D.N.Y. 2002) (rejecting plaintiff's attempt to avoid preemption of an unfair competition claim by characterizing its claim as one for "palming off," based on defendant's placement of a copyright notice on materials that allegedly originated with plaintiff), *aff'd*, 409 F.3d 26 (2d Cir. 2005); see also *DirecTV, Inc. v. Cashe*, No. 1:03-CV-0310, 2004 WL 1622229, at *4 (S.D. Ind. June 7, 2004) (preempting an action for fraud and deception, based on the purchase and use of devices to intercept encrypted satellite television signals,

defendant's "unfair" conduct was also "immoral" or "unethical" do not add meaningful additional elements, and thus, do not change the underlying nature of the state claim.¹⁶³

The contrary conclusion in some decisions, in which courts held that the particular claims for unfair competition or unfair trade practices were *not* preempted, are quite problematic. For example, in *Computer Management Assistance Co. v. Robert F. DeCastro, Inc.*, the plaintiff, the owner of a copyrighted computer program, asserted claims of both copyright infringement and violation of a state unfair trade practices statute based on the defendant's unauthorized copying of that program.¹⁶⁴ Although the Fifth Circuit ultimately affirmed the dismissal of the state law claim on the merits, its intermediate conclusion was that the claim was not preempted. The court mistakenly asserted that, because the state statute "requires proof of fraud, misrepresentation or other unethical conduct . . . the relief it provides is not 'equivalent' to that provided in the Copyright Act."¹⁶⁵ However, a determination of what behavior rises to the level of "unethical conduct" is inherently subjective. Therefore, the court's approach apparently would permit relief under state law, either in lieu of or in addition to federal relief, for any instances of copyright infringement a court found particularly egregious. This result would inappropriately narrow the reach of § 301. In fact, neither the defendant's state of mind nor the supposedly outrageous nature of its behavior, even if done willfully, are *meaningful* "extra elements," going beyond the elements necessary to prove copyright infringement, so as to remove such state claims from the scope of federal preemption.¹⁶⁶

where the claim presented no extra element beyond that needed to prove copyright infringement).

163. See, e.g., *Collezione Europa U.S.A., Inc. v. Hillsdale House, Ltd.*, 243 F. Supp. 2d 444, 449-50 (M.D.N.C. 2003) (preempting a state law claim for unfair and deceptive trade practices based on the copying of copyrighted sculptural works because the allegations of "deceptiveness" and of immoral, unethical, and unscrupulous behavior did not supply a "qualitatively additional element which [was] separate and distinct from the alleged copying," and, at best, "would only change the scope, not the nature of the action"); *Old S. Home Co. v. Keystone Realty Group, Inc.*, 233 F. Supp. 2d 734, 736-39 (M.D.N.C. 2002) (holding that a state law claim for unfair and deceptive trade practices, based on the construction of homes which replicated plaintiffs' copyrighted home designs, was preempted because the allegations that defendant's conduct was unethical and immoral, and that it gave rise to consumer confusion, did not constitute qualitatively different additional elements).

164. 220 F.3d 396, 399 (5th Cir. 2000).

165. *Id.* at 404-05.

166. See *Chalfant v. Tubb*, 453 F. Supp. 2d 1308, 1319-20 (N.D. Okla. 2006) (finding that an unfair competition claim was not preempted in an action by the authors of a screenplay against a film maker, based on the failure to list the authors appropriately in

In a recent district court decision in California,¹⁶⁷ the plaintiffs, who had written and then recorded a musical work, alleged that the defendant-store had altered some of the lyrics in their own song and then had used them, without authorization, in advertisements and in-store signage. The court erroneously held that the plaintiffs' unfair competition claim was not preempted because the plaintiff's allegation that the distorted lyrics confused fans constituted the requisite "extra element."¹⁶⁸ In fact, the defendant's conduct would have stated a claim for unauthorized adaptation and distribution of a copyrighted work; any alleged consumer confusion was not meaningfully different from the effect on the copyright owner and on the public of garden variety copyright infringement.¹⁶⁹

On the other hand, there will be a variety of situations in which preemption of an unfair competition action would be inappropriate. In particular, preemption is not called for where, under state law, the particular state law claim requires proof of deceptive or fraudulent conduct by the defendant, coupled with reliance and confusion by consumers, in settings when those requirements actually do constitute meaningful additional elements, going beyond those needed to set forth a copyright claim.¹⁷⁰

the credits to the film, because plaintiffs' allegations "went beyond mere appropriation of copyrighted material and included elements of deceptive behavior"); *cf.* *Iconbazaar, L.L.C. v. Am. Online, Inc.*, 308 F. Supp. 2d 630, 636-37 (M.D.N.C. 2004) (preempting an unfair trade practices claim and noting that, even though fraud or deceit may be part of action, proof thereof was not *required* to state claim).

167. *Butler v. Target Corp.*, 323 F. Supp. 2d 1052 (C.D. Cal. 2004).

168. *See id.* at 1057-58.

169. *Id.*

170. *See, e.g., Donald Frederick Evans & Assocs. v. Cont'l Homes, Inc.*, 785 F.2d 897, 913-14 (11th Cir. 1986) (concluding that an unfair competition claim, based on alleged misrepresentation by a homebuilder that its homes were identical to plaintiff's homes, was not preempted because the state law required proof of extra elements—that defendant engaged in deceptive or fraudulent conduct, and that customers were likely to be confused); *Warner Bros. v. Am. Broad. Cos.*, 720 F.2d 231, 247 (2d Cir. 1983) ("[T]o the extent that plaintiffs are relying on state unfair competition law to allege a tort of 'passing off,' they are not asserting rights equivalent to those protected by copyright and therefore do not encounter preemption."); *Silverstein v. Penguin Putnam, Inc.*, No. 01 Civ. 309 (JFK), 2003 WL 1797848, at *8 (S.D.N.Y. Apr. 4, 2003) (holding that an unfair competition claim, for the reverse passing-off of plaintiff's copyrighted compilation of poems, was not preempted, since the state law required proof of misrepresentation or deception, giving rise to actual consumer confusion), *rev'd and vacated in part on other grounds*, 368 F.3d 77 (2d Cir. 2004), *cert. denied*, 543 U.S. 1039 (2004); *Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc.*, 210 F. Supp. 2d 552, 564-66 (D.N.J. 2002) (finding that a claim for unfair competition based on "passing-off"—the false assertion by defendant that product actually created by plaintiff was produced by defendant—was not preempted, since it required proof of additional element of deception or misrepresentation); *Salim v. Lee*, 202 F. Supp. 2d 1122, 1125-27 (C.D. Cal. 2002) (concluding that an unfair competition claim asserting "reverse passing-off," based on "bodily appropriation" of plaintiff's animation project, was not

d. Unjust Enrichment

As is true for unfair competition actions,¹⁷¹ because there is a broad range of grounds for asserting unjust enrichment claims,¹⁷² and since the majority of them do not arise in the context of copyrightable materials, questions of preemption are usually not present. And, once again, most courts have properly preempted unjust enrichment claims that do arise in these contexts.¹⁷³ Two cases are noteworthy, however, to illustrate the sometimes difficult issues presented by these claims.

preempted); *Kindergartners Count, Inc. v. DeMoulin*, 171 F. Supp. 2d 1183, 1190-92 (D. Kan. 2001) (concluding that an unfair competition claim, based on defendants' use of plaintiffs copyrighted book and computer program to create and then distribute substantially similar works, was not preempted, because "[p]roof of customer confusion or deception and/or proof of a confidential relationship and the breach thereof are extra elements"); *Scholastic, Inc. v. Stouffer*, 124 F. Supp. 2d 836, 845-47 (S.D.N.Y. 2000) (concluding that unfair competition and false designation of origin claims, based on "reverse passing off" of trademarks, character likenesses, and character names from plaintiffs copyrighted works presented at least one extra element, thus avoiding preemption); *Kisch v. Ammirati & Puris Inc.*, 657 F. Supp. 380, 385 (S.D.N.Y. 1987) (refusing to dismiss an unfair competition claim, based on alleged similarity between plaintiffs copyrighted photograph and defendant's photograph, because plaintiff alleged "passing off"); *see also Moser Pilon Nelson Architects, LLC v. HNTB Corp.*, No. 05 CV 422 (MRK), 2006 WL 2331013, at *12-13 (D. Conn. Aug. 8, 2006) (holding that an unfair trade practices action, which required proof that defendants "undermined the public bidding process for the contract by agreeing to copy Plaintiffs' design in return for being awarded contract," was not preempted, and further noting that the 1976 Act "offers no redress for the alleged subversion of the important state interest in adherence to the mandated procedures for awarding state contracts"). *But see Integrative Nutrition, Inc. v. Acad. of Healing Nutrition*, 476 F. Supp. 2d 291, 296-98 (S.D.N.Y. 2007) (holding that an unfair competition claim based on copying of elements of plaintiffs website was preempted as a type of "reverse passing off claim [that] is equivalent to a claim for copyright infringement"). *See generally Bell*, *supra* note 31, at 233-43 (asserting that unfair competition reverse passing off claims are *not* preempted by § 301(a), but that *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), has "opened the way to direct Supremacy Clause preemption of reverse passing off claims that conflict with the ends and means of copyright law").

171. *See supra* Part II.A.2.c.

172. *See DOUGLAS LAYCOCK, MODERN AMERICAN REMEDIES* 565 (3d ed. 2002) ("A claim for unjust enrichment is often available in cases of intentional tort or breach of fiduciary duty, in cases of statutory torts such as infringement of intellectual property, and sometimes in suits for breach of contract."). *See generally* RESTATEMENT (THIRD) OF RESTITUTION AND UNJUST ENRICHMENT (Tentative Draft No. 3, West 2004).

173. *See, e.g., Briarpatch Ltd. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 306-07 (2d Cir. 2004) (finding that an unjust enrichment claim, for the alleged breach of a contract to pay royalties for a derivative work, was preempted, since it merely sought enforcement of the right of adaptation); *Del Madera Props. v. Rhodes & Gardner, Inc.*, 820 F.2d 973, 976-77 (9th Cir. 1987) (preempting an unjust enrichment claim, based on defendants' alleged profiting from use of documents created by plaintiff at considerable expense and effort); *Microstrategy, Inc. v. Netsolve, Inc.*, 368 F. Supp. 2d 533, 537-38 (E.D. Va. 2005) (finding that an unjust enrichment claim was preempted, since the complaint contained no additional element beyond the defendant-licensee's unauthorized reproduction and use of

The Ninth Circuit undertook a difficult, but ultimately correct, application of the equivalency test to complicated facts in *G.S. Rasmussen & Associates v. Kalitta Flying Service, Inc.*¹⁷⁴ The Federal Aeronautics Administration (FAA) had promulgated regulations regarding the certification of alterations to commercial aircraft.¹⁷⁵ The owner of an airplane was permitted to make changes to its plane if it obtained, and presented to the FAA, a Supplemental Type Certificate (STC).¹⁷⁶ Obtaining an STC, in turn, required the assembly and presentation of extensive engineering and test data to the FAA.¹⁷⁷ After expending considerable time and expense, the plaintiff had obtained an STC, which could be used to convert cargo DC-8's; it had offered to license its STC to the defendant for the conversion of one of its planes.¹⁷⁸ Eschewing that license, the defendant made a photocopy of another of plaintiff's STCs and presented that copy to the FAA for certification of its DC-8.¹⁷⁹ The defendant also made a photocopy of the plaintiff's flight manual supplement, which FAA regulations required must be carried on a

plaintiff's software); *Diamond v. Gillis*, 357 F. Supp. 2d 1003, 1009-10 (E.D. Mich. 2005) (finding that an unjust enrichment claim, brought by the alleged co-producer of a sound recording, was preempted, as plaintiff did not allege meaningful "extra element," such as breach of promise to pay); *Sharp v. Patterson*, No. 03 Civ. 8772 (GEL), 2004 WL 2480426, at *15 (S.D.N.Y. Nov. 3, 2004) (finding that an unjust enrichment claim, based on defendant's use of plaintiff's story and ideas to create defendant's literary work, was preempted); *Zito v. Steeplechase Films, Inc.*, 267 F. Supp. 2d 1022, 1023, 1027 (N.D. Cal. 2003) (finding that an unjust enrichment claim, based on the unauthorized distribution of a photograph, was preempted, even though the state claim required proof of a benefit conferred on the defendant); *Faulkner v. Nat'l Geographic Soc'y*, 211 F. Supp. 2d 450, 476-77 (S.D.N.Y. 2002) (finding that an unjust enrichment claim was not qualitatively different from a copyright infringement claim), *aff'd*, 409 F.3d 26 (2d Cir. 2005); *Video Pipeline, Inc.*, 210 F. Supp. 2d at 567-68 (finding preemption of a counterclaim premised on the assertion that the "plaintiff had exploited [defendant's] intellectual property without compensating [defendant] for the benefits derived from such use"); *Netzer v. Continuity Graphic Assocs.*, 963 F. Supp. 1308, 1312-13, 1321-22 (S.D.N.Y. 1997) (claim for unjust enrichment—or, in the alternative, for quasi-contract—seeking accounting based on plaintiff's claim as the co-author of a comic book, was preempted, since plaintiff's "gravamen [was] unauthorized publication"); *P.I.T.S. Films v. Laconis*, 588 F. Supp. 1383, 1384, 1386 (E.D. Mich. 1984) (concluding that claims for unjust enrichment and quantum meruit, based on the unauthorized use of slogans and characters from plaintiff's copyrighted television series, were preempted).

174. 958 F.2d 896 (9th Cir. 1992).

175. *See id.* at 899.

176. *Id.*

177. *See id.*

178. *See id.* at 899-900.

179. *Id.* at 900.

modified plane.¹⁸⁰ The plaintiff brought an action for conversion of its STC and for unjust enrichment.¹⁸¹

After first determining that state law recognized a property right in the STC, the court of appeals concluded that the plaintiff's state law claims were not preempted by § 301.¹⁸² The court correctly recognized that an action based solely on unauthorized copying of the plaintiff's works—the drawings and plans and the flight manual—would surely have been preempted, and the STC certificate itself was actually a government document, outside the scope of copyright protection.¹⁸³ However, the plaintiff's claim was for the "right to use the STC as a basis for obtaining an airworthiness certificate,"¹⁸⁴ which then conferred "a valuable government privilege—the right to modify an airplane in a particular way without going to the trouble and expense of proving that the modification meets FAA standards."¹⁸⁵ This *use* by the defendant of the plaintiff's property, and the benefit it received therefrom, are indeed qualitatively different elements from an action predicated merely on unauthorized copying, which would not have been actionable under state law. Permitting the claim for unjust enrichment for that unauthorized *use* did not interfere with federal interests in having a uniform set of standards to regulate permissible copying.

A far more questionable result was reached in *Ulloa v. Universal Music and Video Distribution Corp.*¹⁸⁶ The plaintiff, a recording artist, asserted a copyright interest in a sound recording of her voice; she alleged that the defendants had used that recording, without her permission, in creating another sound recording.¹⁸⁷ The plaintiff brought claims for copyright infringement and unjust enrichment; the court noted that she potentially had a cause of action for breach of contract.¹⁸⁸ The court held that the two state law claims, which the court interpreted as having been pleaded in the alternative, were not preempted, since the copyright infringement claim might have been subject to the defenses that the plaintiff's recording was a "work made for hire," or that the plaintiff may have impliedly licensed

180. See *id.* at 899-900.

181. *Id.* at 900.

182. *Id.* at 908.

183. See *id.* at 904.

184. *Id.*

185. *Id.*

186. No. 01 Civ. 9583 (BSJ), 2004 U.S. Dist. LEXIS 6755 (S.D.N.Y. Apr. 19, 2004).

187. See *id.* at *2.

188. *Id.* at *1 n.7.

it to the defendant.¹⁸⁹ The court's explanation for allowing the unjust enrichment claim to proceed was that the plaintiff was entitled "to persuade the jury that [the] defendants have failed to compensate her for her time and labor."¹⁹⁰ However, if the defendants prevailed under either of these defenses, they would have been entitled, under the copyright laws, to use the plaintiff's sound recording. It would upset the defendants' federally-defined panoply of rights to allow, for example, a state claim for unjust enrichment for a portion of the value of the defendants' copyrighted work based only on the "extra element" that the plaintiff was allegedly inadequately compensated as an employee under the "work made for hire" rubric.

e. Breach of Contract Actions

One of the clearest situations in which preemption is *not* called for is a breach of contract action, where copyrighted works are the subject of the dispute, but where the asserted breach does not involve conduct by the defendant akin to the type of behavior giving rise to a claim of copyright infringement. Examples of such disputes would be a suit to collect royalties for the licensing of a copyrighted work,¹⁹¹ a dispute about the transfer of ownership of a copyright,¹⁹² or a contract

189. See *id.* at *7.

190. *Id.*

191. For example, in *Madison River Management Co. v. Business Management Software Corp.*, the copyright owner sued its licensee on a breach of contract theory, asserting a violation of an express promise in the parties' agreement to pay specified amounts for "excess use" of the copyrighted software. 387 F. Supp. 2d 521, 533-34 (M.D.N.C. 2005). Relying on *Acorn Structures, Inc. v. Swantz*, the court denied a motion to dismiss this state court claim, holding that "this express promise to pay creates an extra element which prevents preemption." *Id.* at 541 (citing 846 F.2d 923 (4th Cir. 1988)); see also *Hustlers, Inc. v. Thomasson*, 253 F. Supp. 2d 1285, 1288, 1293 (N.D. Ga. 2002) (holding that a breach of contract action by the assignee of a co-author of a musical work, asserting that the licensee-distributor of that work failed to continue to make royalty payments to plaintiff, was not preempted); *infra* text accompanying notes 212-219 (discussing *Acorn Structures'* analysis of preemption and contract claims). By contrast, at an earlier stage of the *Madison River* case, the district court had held that other breach of contract claims were not saved from preemption by the allegation of *implied* promises to pay for use. *Madison River*, 351 F. Supp. 2d at 443-44.

192. See, e.g., *Dorsey v. Money Mack Music, Inc.*, 304 F. Supp. 2d 858, 861, 864-65 (E.D. La. 2003) (rejecting a preemption defense in an action by a songwriter/performer against his agents and managers, asserting breach of contractual and fiduciary duties and seeking accounting for royalties and a declaratory judgment to establish ownership rights in copyrights); *Asunto v. Shoup*, 132 F. Supp. 2d 445, 449-53 (E.D. La. 2000) (rejecting preemption argument in action by musician's estate against music recording and distribution companies); *Brown v. Mono Records*, No. CV-00-286-ST, 2000 WL 33244473, at *1, *4-*9 (D. Or. June 6, 2000) (rejecting a preemption defense in an action by band members against other band members and a recording company, asserting claims for conversion, breach of contract, and accounting, and involving disputed claims to royalties

involving transfer of the physical object in which copyright is embodied.¹⁹³ Resolution of all of these disputes would require proof of elements qualitatively different from those at issue in a copyright infringement action, including evidence regarding the giving of consideration and the existence and nature of promises to pay royalties or to convey ownership interests. As a policy matter, it is appropriate to permit such state causes of action to proceed, since resolution of these kinds of claims would not require the interpretation or application of the copyright laws. Furthermore, the adjudication of the parties' competing claims and defenses does not implicate the federal interests underlying those laws.

*Wrench LLC v. Taco Bell Corp.*¹⁹⁴ provides a good example of a different kind of action based on breach of contract. The plaintiffs asserted claims that resembled copyright infringement, but the court nonetheless properly rejected the proffered preemption defense.¹⁹⁵ The plaintiffs alleged that they had shared ideas for a promotional campaign for Taco Bell (that featured a talking chihuahua), pursuant to a promise that they would be compensated if the restaurant chain used their ideas.¹⁹⁶ The Sixth Circuit found that the plaintiff had raised a genuine issue of material fact as to whether the defendant breached an implied-in-fact contract providing for such payment and that this action was not preempted by § 301.¹⁹⁷ Applying the "extra element" test, the court correctly concluded that there were several legal elements necessary to prove breach of contract that would not be part of a copyright infringement action.¹⁹⁸ In contrast to an action for quasi-contract or implied-in-law contract,¹⁹⁹ the plaintiffs' claim

and ownership in the copyrighted works); *accord* *Dead Kennedys v. Biafra*, 37 F. Supp. 2d 1151, 1154 (N.D. Cal. 1999); *see also* *Tewarson v. Simon*, 750 N.E.2d 176, 184 (Ohio Ct. App. 2001) (holding that § 301 did not preclude a state court's adjudication of a dispute over the terms of a contract allegedly providing for a transfer of ownership of copyright).

193. *See Kabehie v. Zoland*, 125 Cal. Rptr. 2d 721, 734-35 (Cal. Ct. App. 2002) (holding that claims regarding failure to deliver master recordings or musical compositions, as provided in the parties' agreement, was not preempted).

194. 256 F.3d 446 (6th Cir. 2001).

195. *See id.* at 453-57.

196. *Id.* at 450. In theory, an alternative basis for finding that the contract claim was not preempted would have been that ideas—as opposed to expressions of those ideas—are unprotectable by the copyright laws. However, the court of appeals initially (and properly) held—as have most other courts, *see infra* text accompanying notes 414-420—that ideas nonetheless fell within the "subject matter of copyright." *See id.* at 454-55.

197. *Id.* at 453, 459.

198. *See id.* at 456-57.

199. The court suggested in dicta that a claim for a quasi-contract, i.e., a contract implied-in-law, was far more likely to be subject to preemption, since such an "action depends on nothing more than the unauthorized use of the work." *Id.* at 459; *see* *Endemol Entm't B.V. v. Twentieth Television Inc.*, No. CV 98-0608 ABC (BQRx), 1998 U.S. Dist.

required proof, *inter alia*, of a promise by the defendant that it would pay for the use of these ideas,²⁰⁰ the defendant's failure to pay, and an expectation by the plaintiffs that they would be paid, as well as evidence of the value of the work and the defendant's use thereof.²⁰¹ These meaningful extra elements made the plaintiffs' action "qualitatively different" from a copyright infringement claim.²⁰²

LEXIS 19049, at *16 (C.D. Cal. Sep. 29, 1998) (preempting an action for breach of implied-in-fact contract based on defendant's failure to pay for ideas for a television show, and stating that the allegation of "promise not to accept the benefit of a copyright [sic] work" without making payment was not the necessary "extra element"); *see also* Recursion Software, Inc. v. Interactive Intelligence, Inc., 425 F. Supp. 2d 756, 768-69 (N.D. Tex. 2006) (finding that unjust enrichment and quantum meruit claims were preempted, since "[i]n the absence of a contract between the parties, the only possible source entitling [plaintiff] to enforce its quasi-contractual claims is the Copyright Act"); Keane v. Fox Television Stations, Inc., 297 F. Supp. 2d 921, 924-25, 945 (S.D. Tex. 2004) (holding that claims for unfair competition, misappropriation, breach of implied contract, and quantum meruit, based on defendant's failure to pay for ideas for a television show, were preempted, as plaintiff failed to allege facts corresponding to an extra element such as the existence of a confidential relationship or a fiduciary duty) (alternative holding), *aff'd*, 129 F. App'x 874 (5th Cir. 2005); Panizza v. Mattel, Inc., No. 02 CV 7722 (GBD), 2003 U.S. Dist. LEXIS 17228, at *2, *10-*11 (S.D.N.Y. Sept. 30, 2003) (preempting a claim for breach of quasi-contract, based upon an unjust enrichment theory, for the use of ideas to create a television show); Fischer v. Viacom Int'l, Inc., 115 F. Supp. 2d 535, 541 (D. Md. 2000) ("[T]he majority of courts addressing the issue have found that the Act preempts implied-in-fact contracts." (emphasis added)); *cf.* Effects Assocs. v. Cohen, 908 F.2d 555, 559 (9th Cir. 1990) (finding that plaintiff had given defendant implied, non-exclusive license to incorporate its film footage into defendant's motion picture and thus gave up its right to sue for copyright infringement, but "retain[ed] the right to sue [defendant] in state court on a variety of other grounds, including breach of contract"). *But see* Price v. Fox Entm't Group, Inc. 473 F. Supp. 2d 446, 460-61 (S.D.N.Y. 2007) (concluding, in an action complaining of failure to treat plaintiff as co-author and to account to him for profits, that a claim for quantum meruit was not preempted, because plaintiff was "seeking compensation for work he contributed to the screenplay that could, in theory, be considered separate and apart from ownership"); Schuchart & Assocs. v. Solo Serve Corp., 540 F. Supp. 928, 945, 948 (W.D. Tex. 1982) (concluding that an action for unjust enrichment and quantum meruit, growing out of the unauthorized copying and distribution of copyrighted architectural drawings, was not preempted, since "Plaintiffs seek to recover under quantum meruit theory the value of the services rendered by Defendants' use of the plans and specifications prepared by Plaintiffs").

200. *Wrench LLC*, 256 F.3d at 457. The court was careful to note that the mere presence of a promise was not always the necessary "extra element." It properly contrasted this case with a situation where the defendant merely promises not to infringe one of the rights protected under § 106 (e.g., a promise not to copy without permission) or merely promises to pay royalties for use of those rights. *See id.* at 457-58.

201. *Id.* at 456. The court also looked to the remedies available to support its "extra element" analysis. After identifying the specific remedies found in 17 U.S.C. §§ 502-505 (2002), the court noted that these remedies "do not include damages for the reasonable value of the defendants' use of the work." *Id.* at 456-457.

202. *See also* Grosso v. Miramax Film Corp., 383 F.3d 965, 967-68 (9th Cir. 2004) (finding that an action for breach of an implied-in-fact contract, seeking compensation for an idea allegedly embodied in defendant's movie screenplay, was not preempted where the qualitatively different "extra element" was the implied promise to pay for the idea,

*National Car Rental System, Inc. v. Computer Associates International, Inc.*²⁰³ is another case that properly found no preemption, as the plaintiff's breach of contract claim was not one alleging breach of a promise not to infringe upon any of the rights conferred on a copyright owner by § 106. The plaintiff, Computer Associates (CA), had developed a computer program it had licensed to National "only for [its] internal operations and . . . for the processing of its own data."²⁰⁴ CA alleged that, in violation of this contractual promise, National had also used the program to process data of third parties.²⁰⁵ The district court had concluded that CA's claim for breach of contract was "equivalent to" a claim for the "exclusive copyright right of distribution of copies of [its] work," and therefore, was preempted.²⁰⁶ In reversing, the court of appeals first concluded that the plaintiff's complaint, properly read, only alleged claims for unauthorized *use* of its copyrighted work, and not a claim for unauthorized distribution.²⁰⁷ The court stressed that the exclusive

submitted in confidence by plaintiff and voluntarily accepted by defendant, with mutual expectation that payment would be made therefore), *amended by* 400 F.3d 658 (9th Cir. 2005); *Sharp v. Patterson*, No. 03 Civ. 8772 (GEL), 2004 WL 2480426, at *7-*9 (S.D.N.Y. Nov. 3, 2004) (finding that claims for breach of express and/or implied contract, based on an agreement by the author to recognize and compensate plaintiff for her contributions to his literary work, were not preempted, since the promise constituted an additional element and right that did not exist under copyright law); *Video Pipeline, Inc. v. Buena Vista Home Entm't, Inc.*, 210 F. Supp. 2d 552, 566-67 (D.N.J. 2002) (finding no preemption of a claim for breach of license agreement that, in addition to prohibiting unauthorized copying and distribution, also prohibited conduct not covered by the 1976 Act, including the obligation to return physical objects and linking third-party websites to its own); *Firoozye v. Earthlink Network*, 153 F. Supp. 2d 1115, 1126-28 (N.D. Cal. 2001) (concluding that an action for breach of implied-in-fact contract was not preempted because plaintiff would "have to prove elements beyond unauthorized use, including that the defendant made an enforceable promise to pay and breached that promise"); *cf. Tavormina v. Evening Star Prods., Inc.*, 10 F. Supp. 2d 729, 734-35 (S.D. Tex. 1998) (finding that a claim for breach of contract was preempted to the extent that it was based on the defendants' failure to compensate plaintiffs for unauthorized copying of their home [(an architectural work)], but that a quantum meruit claim was *not* preempted, since plaintiffs also alleged that defendants failed to compensate them, as promised, "for their time and inconvenience"). See generally Samuel M. Bayard, Note, *Chihuahuas, Seventh Circuit Judges, and Movie Scripts, Oh My!: Copyright Preemption of Contracts to Protect Ideas*, 86 CORNELL L. REV. 603 (2001) (examining whether § 301 should preempt contract claims involving the submission of ideas, and advocating a policy-based framework).

203. 991 F.2d 426 (8th Cir. 1993).

204. *Id.* at 427.

205. *Id.* at 428.

206. *Id.*

207. See *id.* at 430. The exclusive right to distribute *copies* of a work is conferred by 17 U.S.C. § 106(3). The court of appeals understood the complaint merely to challenge National's unauthorized *use* of the copyrighted program to process data of third parties, but without any copy of the program having been given to those third parties. *Nat'l Car Rental*, 991 F.2d at 430.

right to use copyrighted material is not within the scope of protection of the Copyright Act.²⁰⁸ It therefore concluded that a claim for infringement of that different right requires proof of an extra element—the contractual restriction on that use.²⁰⁹

Application of the “equivalence requirement” to some other breach of contract actions has raised more questionable analytical problems. As was true in *Wrench*, all claims for breach of contract obviously require proof of promise and breach. However, is there a meaningful “extra element” if the defendant’s promise was merely that it would not engage in conduct that would infringe one of the copyright holders’ exclusive rights under the Act?²¹⁰ Has this “element” resulted in a “qualitatively different” claim than one under copyright law?²¹¹

This analytic difficulty is best illustrated by a contrast with a number of problematic cases that found that the state breach of contract claim was not preempted. For example, in *Acorn Structures, Inc. v. Swantz*,²¹² the plaintiff, who both designed homes and sold the

208. See *Nat’l Car Rental*, 991 F.2d at 431-33.

209. The court explained:

CA is alleging that the contract creates a right not existing under the copyright law, a right based upon National’s promise, and that it is suing to protect that contractual right. The contractual restriction on use of the programs constitutes an extra element that makes this cause of action qualitatively different from one for copyright.

Id. at 433; see also *Recursion Software, Inc. v. Interactive Intelligence, Inc.*, 425 F. Supp. 2d 756, 765-66 (N.D. Tex. 2006) (finding that an action for the breach of a license agreement was not preempted when the agreement permitted a licensee to engage in certain conduct that, in absence of agreement, would have constituted copyright infringement; therefore, the “scope of a licensee’s permissible [conduct] . . . is determined by reference to the contract itself, not the copyright law”).

210. The *Recursion Software* court put forth this very question:

Can, for example, a breach of contract claim arising out of a bare promise not to reproduce or distribute copies of a copyrighted work be said to be *qualitatively* different from a copyright infringement action for the violation of the exclusive rights of reproduction and distribution granted to the copyright holder by 17 U.S.C. § 106?

425 F. Supp. 2d at 767.

211. Preemption arguments were also properly rejected in *Huckshold v. HSSL, L.L.C.*, 344 F. Supp. 2d 1203, 1207-08 (E.D. Mo. 2004). The plaintiff, the owner of a copyright in computer software, alleged that the defendant, its licensee, had breached a contractual promise by allowing a non-party to their agreement to copy and download the software. *Id.* at 1205. The court recognized that an action that only asserted that the defendant had engaged in unauthorized copying would have been preempted, regardless of any contractual undertaking by the defendant not to engage in that behavior. See *id.* at 1209. By contrast, here, the necessity of proving that the defendant had permitted a third party to copy the software, as well as proving the existence of this provision in the contract itself, constituted a qualitatively different “extra element.” *Id.* at 1208.

212. 846 F.2d 923 (4th Cir. 1988).

materials to build those homes, entered into a "design agreement" with the defendant, undertaking to perform architectural services and to deliver drawings of a residential home to the defendant for the sum of \$750.²¹³ This agreement did not require the defendant to purchase the necessary materials from the plaintiff and did not expressly require the return of the drawings.²¹⁴ However, the agreement expressly recited that the "drawings are copyrighted and are [the plaintiff's] property, and may not be used or *copied* in any way, in whole or in part, without the written consent of [plaintiff]."²¹⁵ In the alleged breach of this undertaking,²¹⁶ defendant "delivered the drawings to another architect who filed a copy . . . under his own seal" with the local buildings permits office; a building permit was issued, and a home based on plaintiff's plans was constructed.²¹⁷ Reversing the district court's conclusion that the claim for breach of contract was preempted,²¹⁸ the Fourth Circuit—with what was at best minimal analysis, including absolutely no attention to § 301's equivalence requirement or the extra element test—concluded that the action could proceed because it "[did] not arise out of the subject matter of copyright and is therefore a separate and distinct cause of action."²¹⁹

Even at the time this action was litigated in the 1980's, architectural plans were considered "pictorial, graphic or sculptural works,"²²⁰ and protection was available against unauthorized copying

213. *Id.* at 924-25.

214. *Id.* at 925. Instead, as inducements, the contract provided that the defendant would receive a credit of \$750 towards the purchase of materials in connection with the construction of the house, and that the defendant would receive a refund of \$100 if he returned the drawings. *Id.*

215. *Id.* (emphasis added).

216. *Id.* at 926 (concluding that the contract contained defendant's implied promise that, if he did use Acorn's design to build a house, he would either purchase the materials from Acorn or would purchase the plans himself).

217. *Id.* at 925.

218. *Id.* (citing *Acorn Structures, Inc. v. Swantz*, 657 F. Supp. 70, 75 (W.D. Va. 1987)). The district court had held that the plaintiff's action for conversion, based on the unauthorized use of its plans, was also preempted. *See id.* at 926. This ruling is suspect, since copyright in fact does not protect against unauthorized exercise of dominion over property, including copies of a work, as opposed to the misuse of the underlying work. *See supra* text accompanying note 153; *see infra* text accompanying notes 369-370. But, the court of appeals affirmed this portion of the judgment, "because at best conversion is only an alternative ground of action to that of breach of contract." *Acorn Structures*, 846 F.2d at 926.

219. *Id.*

220. As enacted in 1976, the Act defined "pictorial, graphic, and sculptural works" to include "technical drawings." Pub. L. No. 94-553, § 101, 90 Stat. 2541, 2543 (codified as amended at 17 U.S.C. § 101 (2000)). In 1988, this portion of the statute was amended to read "technical drawings, including architectural plans." Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, § 4(a)(1)(A), 102 Stat. 2853, 2854

of those plans.²²¹ Thus, at a minimum, the plaintiff, Acorn, would appear to have had an infringement action against the second architect, and perhaps against the defendant as well for contributory infringement. However, it was not until 1990, with the enactment of the Architectural Works Copyright Protection Act (the AWCPA),²²² that “architectural works” were added to the list of the “[s]ubject matter of copyright,” and that protection was explicitly extended to the unauthorized construction of a structure based upon copyrighted architectural plans.²²³ Nonetheless, as discussed below, even prior to the AWCPA, such works might well have been within the general “[s]ubject matter of copyright” for purposes of § 301(a).²²⁴ Under this approach, the plaintiff’s action in *Acorn Structures*, based on the uncompensated construction of the house,²²⁵ was really one for the unauthorized creation of either a copy or a derivative work of its architectural plans.²²⁶ The defendant’s contractual undertaking that the plans would not be “used or copied in any way” was then a promise not to infringe on any of the rights that were either within the general

(codified at 17 U.S.C. § 101). However, even before 1988—at the time of the events in *Acorn Structures*—courts had concluded that “technical drawings” included architectural plans. See, e.g., *Schuchart & Assocs. v. Solo Serve Corp.*, No. SA-81-CA-5, 1983 U.S. Dist LEXIS 15936, at *21 (W.D. Tex. June 28, 1983) (“[T]he legislative history of the Copyright Act leaves no doubt that Congress intended copyright protection to extend to architectural drawings and plans.”); *Wickham v. Knoxville Int’l Energy Exposition, Inc.*, 555 F. Supp. 154, 155 (E.D. Tenn. 1983) (“Architectural plans are subject to copyright protection.”), *aff’d*, 739 F.2d 1094 (6th Cir. 1984); *Aitken, Hazen, Hoffman, Miller, P.C. v. Empire Constr. Co.*, 542 F. Supp. 252, 260-61 (D. Neb. 1982) (finding infringement from unauthorized copying of plaintiff’s architectural drawings and use thereof to construct a building, without questioning whether the plans were copyrightable); *Robert H. Jacobs, Inc. v. Westoaks Realtors, Inc.*, 205 Cal. Rptr. 620, 623 (Cal. Ct. App. 1984) (noting that an architect’s plans and drawings were protected by federal copyright law); see also *Donald Frederick Evans & Assocs. v. Cont’l Homes, Inc.*, 785 F.2d 897, 913-14 (11th Cir. 1986) (concluding that an unfair competition claim, based on an alleged misrepresentation by a homebuilder that its homes were identical to plaintiff’s homes, was not preempted, and noting that, while plaintiff’s “architectural designs [fell] within the subject matter of copyright,” the homes themselves did not).

221. See 17 U.S.C. § 106(1).

222. Pub. L. No. 101-650, § 703, 104 Stat. 5089, 5133 (1990) (codified at 17 U.S.C. § 102(a)(8)).

223. *Id.* § 702(a), 104 Stat. at 5133 (codified at 17 U.S.C. § 101) (defining “architectural work” in part as “the design of a building . . . including a building, plans, or drawings. The work includes the overall form”).

224. See *infra* Part II.B.1.

225. *Acorn Structures, Inc. v. Swantz*, 846 F.2d 923, 925 (4th Cir. 1988).

226. Cf. *Demetriades v. Kaufmann*, 698 F. Supp. 521, 525-26 (S.D.N.Y. 1988) (dismissing as preempted a misappropriation claim “derived from the wrongful appropriation of plaintiff’s [architectural] plans” and the subsequent building of the home).

scope of copyright, or indeed actually protected by the 1976 Act.²²⁷ It follows that this breach of contract action, which did not require proof of anything other than the unauthorized copying of the plans and the construction of the house based on those plans, was “equivalent to” an action for a violation of those statutory rights.²²⁸

The Eleventh Circuit engaged in similarly flawed reasoning in *Lipscher v. LRP Publications, Inc.*²²⁹ The plaintiff and defendant were competitors, distributing information to lawyers on individual jury verdicts. The plaintiff published newsletters summarizing this information; the defendant maintained this information on computerized databases and also offered a telephone service, allowing customers to call in search requests.²³⁰ Using a fraudulent name, the defendant obtained a subscription to plaintiff’s newsletters.²³¹ The subscription form required subscribers to affirm that the information was being provided only for their personal use, and that they would “not computerize, record, reproduce or re-market any portion of the publication or the selected material which it contains.”²³² In breach of that undertaking, the defendant incorporated the information provided by the plaintiff into its databases.²³³ The court of appeals properly recognized that even though the information collected and disseminated by plaintiff was not copyrightable, it was nonetheless within the “subject matter of copyright.”²³⁴ Nonetheless, the court held that the plaintiff’s breach of contract claim was not preempted; it concluded that the rights created by contract were not “equivalent to” the rights created by copyright, since the former only affected the

227. *Acorn Structures*, 846 F.2d at 925. If the defendant’s contractual undertaking was merely a promise not to violate any of the exclusive rights afforded by the 1976 Act to the plaintiff, it is arguable that the contract itself was void for lack of consideration.

228. An example of a case which clearly gets this rule wrong is *Taquino v. Teledyne Monarch Rubber*, 893 F.2d 1488, 1490 (5th Cir. 1990) (affirming liability on the basis of the district court’s opinion). The plaintiff’s claim was for the unauthorized “use” by the defendant—its former distributor and now its competitor—of plaintiff’s drawings in defendant’s sales materials, in breach of a contract which prohibited that conduct. *Id.* at 1495, 1501. The district court found no preemption because of the “extra element” of the defendant’s “contractual promise.” *Id.* at 1501. But, since the defendant’s conduct violated the plaintiff’s exclusive rights under § 106 to reproduce its drawings and then to distribute them in copies, in fact, the state law claim was nothing more than one for violation of those statutorily conferred rights.

229. 266 F.3d 1305 (11th Cir. 2001).

230. *See id.* at 1308.

231. *Id.*

232. *Id.* at 1308-09.

233. *See id.*

234. *Id.* at 1311. *See generally infra* notes 404, 416-420, 425-428 and accompanying text.

parties to the contract, while the latter exist against the whole world.²³⁵ Based on this distinction, the court asserted that, “in order to succeed on its claim, [plaintiff] needed to show an extra element, the existence of a valid contract between the parties.”²³⁶ Unfortunately, the court ignored a critical consideration: even absent the contract, had the material been copyrightable, the plaintiff’s claim would have been for the unauthorized reproduction and/or distribution of its copyrightable work.²³⁷ There would be little doubt that a state claim would have been preempted had federal protection existed. However, allowing the plaintiff to proceed under a breach of contract theory here had the effect of giving it a state law claim for conduct for which the federal law withheld protection.²³⁸

235. “[C]laims involving two-party contracts are not preempted because contracts do not create exclusive rights, but rather affect only their parties.” *Id.* at 1318 (citing *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1454-55 (7th Cir. 1996)); see *infra* text accompanying notes 246-255 (discussing the *ProCD* decision).

236. *Lipscher*, 266 F.3d at 1318-19. Applying the same test, the court had previously concluded, see *id.* at 1310-12, that the plaintiff’s unfair competition claim *was* preempted. See *id.* at 1311-12; *supra* note 162.

237. As the *Lipscher* court recognized, see *supra* note 234, this portion of the analysis should not change merely because the material which defendant copied and distributed was outside the scope of copyright. Relying on *Lipscher*, the district court in *Ross, Brovins & Oehmke, P.C. v. Lexis/Nexis* equally erred on the preemption issue. 348 F. Supp. 2d 845, 862 (E.D. Mich. 2004), *aff’d*, 463 F.3d 478 (6th Cir. 2006). There, the plaintiff accused the defendant of “[a]ttempting to convert to its own use [plaintiff’s] forms without paying licensing fees’ and by ‘[m]isappropriating [plaintiff’s] content by converting some or all of it to Defendant’s own use.” *Id.* (first and third alterations in original) (quoting Complaint at 11, 17, *Ross, Brovins*, 348 F. Supp. 2d 845 (No. 03-74474), 2003 WL 23852213). Although the court acknowledged that “the substance of the breach of contract claim is very similar to the elements of a copyright claim,” the court nonetheless declined to find preemption on the specious ground that the “[p]laintiff’s claim requires the existence of a valid contract, which a copyright claim does not.” *Id.*

238. Equally problematic is the district court’s holding in *Lowry’s Reports, Inc. v. Legg Mason, Inc.*, 271 F. Supp. 2d 737 (D. Md. 2003). An employee of the defendant, a brokerage firm, had a single subscription to a copyrighted stock market newsletter published by the plaintiff. *Id.* at 741-43. The employee had signed an agreement promising “not to disseminate or furnish to others, including associates, branch offices, or affiliates, the information contained in any reports issued by [plaintiff], without consent.” *Id.* at 756. In breach of that undertaking, on a daily basis, the defendant distributed the information in the newsletter to all of its offices telephonically, via fax and by intra-firm intercom, intranet, and email. *Id.* at 743. In an earlier decision in this case by another district court judge, the court had held that the plaintiff’s state law unfair competition and breach of contract claims were not preempted, although a claim for fraud was preempted. *Lowry’s Reports, Inc. v. Legg Mason, Inc.*, 186 F. Supp. 2d 592, 594-95 (D. Md. 2002).

At this later stage, without referring to that earlier decision, the district court correctly held, applying the “extra element” test, that the plaintiff’s claim for “unfair competition” was preempted by § 301. *Lowry’s Reports, Inc. v. Legg Mason, Inc.*, 271 F. Supp. 2d 737, 756 (D. Md. 2003). Even though the information disseminated by the defendant was not itself copyrightable, it still fell within the “subject matter of copyright” because it was part of a copyrightable (and copyrighted) work. *Id.* at 755 (finding that plaintiff’s reports were

It is a misreading of the statute to allow parallel copyright infringement and state law claims to proceed, based on the alleged violation by the defendant of a contractual promise not to engage in behavior—some form of unauthorized reproduction or distribution of a copyrighted work—violative of the copyright owner’s bundle of rights under § 106.²³⁹ As already noted, a “promise” not to violate the copyright laws is *not* the meaningful “extra element” required by § 301, and so the assertion that “the existence of explicit contractual rights makes a breach of contract claim qualitatively different from a claim for copyright infringement”²⁴⁰ is at best a gross oversimplification.²⁴¹

“literary works” under § 101); *see infra* Part II.B.1. The behavior giving rise to the plaintiff’s claim was the unauthorized copying, distribution, and performance of the newsletter, or parts thereof. Although the plaintiff sought to characterize the defendant’s behavior as “free-riding,” the court properly concluded that this was nothing more than a “pejorative description of copying.” *Id.* at 756 (quoting Jane C. Ginsburg, *Copyright, Common Law, and Sui Generis Protection of Databases in the United States and Abroad*, 66 U. CIN. L. REV. 151, 162 (1997)). The court also rejected the plaintiff’s attempt to bring itself within a “hot news” exception to preemption, finding that the proffered elements for that doctrine “do not describe any behavior at all . . . [but] merely define pre-existing conditions.” *Id.*

However, with minimal analysis, the court also concluded that the breach of contract action was *not* preempted. *Id.* at 757. Relying on its earlier decision, the court asserted:

The unique terms of the parties’ express subscription agreement, if proved, “establish[] a private law governing fair use of the copyrighted works *inter partes*, which makes the claim qualitatively different from a simple copyright case, in which there is no ‘private law’ defining what is and what is not fair use.”

Id. at 756-57 (quoting *Lowry’s Reports, Inc. v. Legg Mason, Inc.*, 186 F. Supp. 2d 592, 594-95 (D. Md. 2002)). But, in reality, the plaintiff’s action for breach contract did not provide a meaningful, or qualitatively different, “extra element.” Not only can “private law” not alter the standards of permissible and unlawful conduct set forth in the Copyright Act, but, more importantly, it is clear that the defendant’s employee’s promise was, once again, nothing more than a repetitive undertaking not to engage in conduct which violated the plaintiff’s exclusive rights under § 106.

The cumulative nature of the federal and state theories is illustrated by the jury verdict and judgment, awarding the plaintiff nearly \$20 million in damages, without apparent differentiation of the claims for the breach of contract and willful copyright infringement. *Lowry’s Reports, Inc. v. Legg Mason, Inc.*, 302 F. Supp. 2d 455, 457-58 (D. Md. 2004).

239. *See supra* notes 212-238 and accompanying text.

240. *eScholar, LLC v. Otis Educ. Sys., Inc.*, 387 F. Supp. 2d 329, 333 (S.D.N.Y. 2005) (finding no preemption of a claim for failure to pay royalties due under an agreement licensing the defendant to serve as a reseller of plaintiff’s copyrighted computer program, where the defendant allegedly copied and distributed materials without plaintiff’s permission). Another decision reaching similarly problematic results—again, after minimal analysis—is *Davidson & Associates, Inc. v. Internet Gateway, Inc.* 334 F. Supp. 2d 1164 (E.D. Mo. 2004), *aff’d sub nom. Davidson & Assocs. v. Jung*, 422 F.3d 630 (2005). There, the court held that § 301 did not preempt a software owner’s breach of contract action against other software designers, based on the defendants’ unauthorized reverse engineering in alleged violation of End-User License Agreements and Terms of Use. *Id.* at 1168-72, 1175. Applying the “extra element” test, the court concluded that, “[a]bsent the parties’

In contrast, a number of other decisions have correctly concluded that the mere presence, under state law, of certain asserted “extra elements” in a breach of contract action does not alter the characteristic of what is essentially a copyright infringement claim. Thus, for example, the breach of a promise to pay for the use of copyrighted material is at heart a claim for infringement of the exclusive right to copy or distribute that work;²⁴² a claim for

agreement, this restriction would not exist.” *Id.* at 1175 (quoting *Nat’l Car Rental Sys., Inc. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426, 433 (8th Cir. 1993)). Then, using circular reasoning, the court stated that “[t]he contractual restriction on use . . . constitutes an extra element.” *Id.* However, it is hardly obvious why the plaintiff’s claims were not simply for violations of its rights of reproduction, distribution, and creation of derivative works—rights which are conferred on the copyright owner by § 106. Thus, an agreement not to engage in behavior otherwise protectable by, and actionable under, the Copyright Act would not have required proof of any “extra element.” On appeal, the defendants decided not to pursue this argument, instead relying (ultimately unsuccessfully) on non-statutory conflict preemption. *Davidson & Assocs. v. Jung*, 422 F.3d 630, 638 n.9 (8th Cir. 2005); *see infra* text accompanying notes 274-280 (further discussing the *Davidson & Assocs.* appellate decision); *see also* *Craft & Assocs. v. College Am., Inc.*, 477 F. Supp. 2d 1053, 1055-56 (D.S.D. 2007) (finding no preemption of a claim for breach of oral contract arising from disputes regarding a fee for creating and placing, and ownership of, various market media, because the state law claim required proof of existence of agreement, amounts of fee owed, and nonpayment thereof); *Meridian Project Sys., Inc. v. Hardin Constr. Co.*, 426 F. Supp. 2d 1101, 1107-08 (E.D. Cal. 2006) (finding no preemption of breach of software manufacturer’s End-User License Agreement, because “mutual assent and consideration required by a contract claim” constituted an “extra element”).

241. *See, e.g.,* *Architectronics, Inc. v. Control Sys., Inc.*, 935 F. Supp. 425, 439 (S.D.N.Y. 1996) (citing *Brignoli v. Balch Hardy & Scheinman, Inc.*, 645 F. Supp. 1201, 1205 (S.D.N.Y. 1986), (noting that the “extra element” that saves a contract claim from preemption is the promise itself,” and that therefore, “a breach of contract claim is not preempted even if the contract involves the rights granted to copyright owners under the Copyright Act”); *Kabehie v. Zoland*, 125 Cal. Rptr. 2d 721, 732 (Cal. Ct. App. 2002) (“If the promise was simply to refrain from copying the material or infringing the rights protected by copyright, then the promisor has promised nothing more than that which was already required under federal copyright law.”); *see also* *Torah Soft Ltd. v. Drosnin*, 224 F. Supp. 2d 704 (S.D.N.Y. 2002) (acknowledging that unauthorized marketing of software would have stated claim for copyright infringement, but concluding that promise not to engage in that conduct constituted “extra element” precluding preemption of breach of contract action). *See generally* Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 CAL. L. REV. 111, 137-44 (1999) (describing varying judicial treatment given to preemption of contract claims).

242. *See* *Madison River Mgmt. Co. v. Bus. Mgmt. Software Corp.*, 351 F. Supp. 2d 436, 443-44 (M.D.N.C. 2005); *see also* *Entous v. Viacom Int’l, Inc.*, 151 F. Supp. 2d 1150, 1159-60 (C.D. Cal. 2001) (rejecting a “categorical rule exempting all breach of contract claims from preemption” and concluding that an action for breach of an implied promise to pay based solely on defendant’s unauthorized use without payment was preempted); *Fischer v. Viacom Int’l, Inc.*, 115 F. Supp. 2d 535, 541-42 (D. Md. 2000) (adopting a fact-specific approach to determining equivalency and finding breach of implied contract was preempted); *Selby v. New Line Cinema Corp.*, 96 F. Supp. 2d 1053, 1060-62 (C.D. Cal. 2000) (preempting breach of implied-in-fact claim on grounds that the “implied promise not to use or copy materials . . . is equivalent to the protection provided by [the Act]” (second alteration in original)); *Green v. Hendrickson Publ’ns, Inc.*, 770 N.E.2d 784, 788-90 (Ind.

unauthorized modification of copyrighted software is at heart a claim for creation of an unauthorized derivative work;²⁴³ and a claim that the defendant violated the exclusivity provisions in an agreement to license the rights to broadcast motion pictures was at its heart only a claim for breach of the plaintiff's exclusive right to perform those works.²⁴⁴

The invocation of the "extra element" test to determine "equivalence" has raised particularly difficult questions in the context of alleged violations of shrinkwrap licenses since these licenses, which are treated by many state courts as a form of contract, are obviously being used as alternative means to protect against the unauthorized reproduction and distribution of the uncopyrightable elements (information and databases) contained in copyrightable computer programs.²⁴⁵ Thus, the plaintiffs are seeking to use these "contractual" provisions to obtain copyright-like protection, i.e., against unauthorized reproduction and distribution, for materials that

2002) (finding preemption of claims for failure to pay royalties pursuant to contract between copyright owners and publishing company and for continuing to print additional copies of books after expiration of contract). *But see supra* text accompanying notes 203-209 (discussing *Nat'l Car Rental Sys., Inc. v. Computer Assocs. Int'l, Inc.*, 991 F.2d 426 (8th Cir. 1993)).

In *Santa-Rosa v. Combo Records*, a singer sought rescission of his contract with a recording company based on its alleged material breach. 471 F.3d 224, 226 (1st Cir. 2006), *cert. denied*, 127 S. Ct. 2265 (2007). In holding that this claim was preempted by § 301, the court noted that success on the plaintiff's rescission claim would result in there being no written agreement between the parties, and that then the court would be required to interpretation of § 201(b) of the Copyright Act to determine ownership of the recordings. *Id.* at 227. "In such a case, there is little question that we would be merely determining whether [the plaintiff] was entitled to compensation because of 'mere copying' or 'performance, distribution or display' of his recordings." *Id.* (quoting *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1164 (1st Cir. 1994)).

243. See *Evolution, Inc. v. Suntrust Bank*, 342 F. Supp. 2d 943, 960 (D. Kan. 2004) (finding preemption, because the claim did not assert an "extra element," and distinguishing between claim involving violation of a copyright license, in which case breach of contract action is permitted, and claims alleging that defendant's conduct exceeded scope of license, in which case only action for infringement could be brought).

244. See *Am. Movie Classics Co. v. Turner Entm't Co.*, 922 F. Supp. 926, 931-32 (S.D.N.Y. 1996); see also *Tannenbaum v. Corbis Sygma*, No. 02 Civ. 5066 (LTS), 2002 WL 3178813, at *3 (S.D.N.Y. Dec. 12, 2002) (holding that a prayer for injunctive relief against "unauthorized licensing" was preempted, since it merely sought to assert copyright owner's right of distribution).

245. See generally Maureen A. O'Rourke, *Drawing the Boundary Between Copyright and Contract: Copyright Preemption of Software License Terms*, 45 DUKE L.J. 479, 482 (1995) (arguing that while breach of boilerplate contract teams may present strong arguments for preemption, courts should avoid a bright-line approach); Nathan Smith, Comment, *The Shrinkwrap Snafu: Untangling the "Extra Element" in Breach of Contract Claims Based on Shrinkwrap Licenses*, 2003 BYU L. REV. 1373, 1375 (arguing for preemption because shrinkwrap licenses contravene the Copyright Act's fair use doctrine and are undesirable from a public policy standpoint).

are outside the narrower definition of the “subject matter of copyright.” Nonetheless, two of the courts of appeals to have considered the application of § 301 to shrinkwrap licenses have concluded that state contract claims were not preempted.

In *ProCD, Inc. v. Zeidenberg*, the plaintiff had compiled information from hundreds of telephone directories into a computer database.²⁴⁶ It sold this database on CD-ROM discs; the box in which the discs were sold contained a restrictive license, limiting their use by the purchaser to non-commercial purposes, and the box was enclosed with a cellophane wrapper, along with language that indicated that opening the box and using the software constituted assent to the terms of the license.²⁴⁷ The defendant disregarded the terms of the license and sold the plaintiff's database on the Internet; the plaintiff then sued for breach of contract.²⁴⁸ Reversing the district court's conclusion that this state law claim was preempted by § 301, Judge Easterbrook, writing for the Seventh Circuit, held that the plaintiff's rights under its shrinkwrap agreements with purchasers of its product, such as the defendant, were not “equivalent to” any of the rights within the general scope of copyright.²⁴⁹

The court offered two rationales for this conclusion. First, rights created by the Copyright Act are rights established *by law* rather than by agreement, and they are rights against the world. By contrast, contracts create rights only between the parties thereto, and strangers are unaffected by the agreement.²⁵⁰ The terms and conditions in a contract “reflect private ordering, essential to the efficient functioning of markets.”²⁵¹ The court asserted that federal preemption provisions in general do not reach such voluntary,

246. 86 F.3d 1447, 1449 (7th Cir. 1996).

247. *Id.* at 1459.

248. *Id.* The plaintiff also asserted claims for copyright infringement, misappropriation, unfair competition, and violation of Wisconsin's Computer Crimes Act. See *ProCD, Inc. v. Zeidenberg*, 908 F. Supp. 640, 644 (W.D. Wis.), *rev'd*, 86 F.3d 1447 (7th Cir. 1996). The court of appeals found it unnecessary to consider these other claims. See *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1449 (7th Cir. 1996).

249. *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1454 (7th Cir. 1996). Although the court assumed that the database itself was insufficiently original to be copyrightable, it nonetheless held that for purposes of § 301, both the software and the data were within the “subject matter of copyright.” See *id.* at 1454; see also *infra* text accompanying notes 427-428 (further discussing this rationale).

250. *ProCD*, 86 F.3d at 1453; see *supra* text accompanying notes 234-235 (discussing a similar proposition asserted in *Lipscher v. LRP Publ'ns, Inc.*, 226 F.3d 1305 (11th Cir. 2001)).

251. *ProCD*, 86 F.3d at 1455.

contractual arrangements²⁵² between private parties.²⁵³ Second, Judge Easterbrook concluded that allowing state protection for breach of these contracts would not be inconsistent with the objectives of § 301—to “prevent[] states from substituting their own regulatory systems for those of the national government.”²⁵⁴ The federal copyright regime did not seek to interfere with *private* transactions with respect to intellectual property, and thus, the 1976 Act did “not prevent states from respecting those transactions.”²⁵⁵

However, this analysis is incomplete. Even if the defendant’s “promise” (and his breach of that promise) arguably constituted an “extra element” in the plaintiff’s breach of contract action,²⁵⁶ it would appear that this particular promise was nothing more than an undertaking by the defendant not to violate the plaintiff’s rights under the Copyright Act—here, the plaintiff’s exclusive rights to reproduce and/or distribute the copyrighted work.²⁵⁷ Of course, the difficulty for the plaintiff was that since the database was uncopyrightable, the Copyright Act conferred no reproduction and distribution rights thereto, and so such a right could exist, if at all, only under state law. However, since the Act reflects an advertent decision *not* to protect databases, the full body of federal law, in fact, reflects the decision to preempt any state-based rights “equivalent to” reproduction or distribution rights for those federally unprotectable works. By permitting the plaintiff to assert a state law claim for the defendant’s unauthorized reproduction and/or distribution of the plaintiff’s

252. The characterization of a contract of adhesion, such as a shrinkwrap license, as “voluntary” unreasonably expands the meaning of that word. It would make far more sense to permit state law claims, which are not made subject to federal preemption, only for those contracts which are the product of arms-length bargaining and where the promise not to engage in prohibited uses was genuinely “voluntary.”

253. The court, however, did not suggest that all contract actions were excluded from the reach of § 301: “we think it prudent to refrain from adopting a rule that anything with the label ‘contract’ is necessarily outside the preemption clause.” *ProCD*, 86 F.3d at 1455.

254. *Id.*

255. *Id.*

256. In an earlier part of the opinion, the court of appeals had held that the contract—the shrinkwrap license—was enforceable under Wisconsin’s Uniform Commercial Code, even though the licenses were inside the box rather than printed on the outside. *See id.* at 1451-53. But, promises contained in such contracts of adhesion offer far weaker support for finding a “promise” as an extra element than promises made with full knowledge and often as a result of vigorous bargaining.

257. This was the basis for the district court’s conclusion that there was no extra element—or at least none that is “qualitatively different from the underlying copyright claim.” *ProCD, Inc. v. Zeidenberg*, 908 F. Supp. 640, 658 (W.D. Wis. 1996). As that court correctly observed, “in reality, [the plaintiff’s] breach of contract claim is nothing more than an effort to prevent defendants from copying and distributing its data, exactly what it sought to bar defendants from doing under copyright law.” *Id.* at 657.

uncopyrightable database, the court of appeals was affording a cause of action that the Copyright Act affirmatively withheld.²⁵⁸

Another shrinkwrap case, *Bowers v. Baystate Technologies, Inc.*,²⁵⁹ is even more troubling. There, the plaintiff sold its copyrighted computer program with a shrinkwrap license that prohibited any reverse engineering.²⁶⁰ After the defendant copied the plaintiff's program as a step in creating its own competitive program, the plaintiff brought claims for both copyright infringement and breach of contract.²⁶¹ Rejecting the defendant's argument that the latter claim was preempted, the Court of Appeals for the Federal Circuit upheld judgment for the plaintiff on its state law claim.²⁶² The court recognized that the copying by the defendant that took place, incident to the process of reverse engineering, would usually be immunized in a copyright infringement action by the fair use doctrine.²⁶³ However, the court nonetheless allowed the breach of contract claim, which was based on the alleged violation of the shrinkwrap promise, to proceed.²⁶⁴

Although the court invoked the "extra element" test in support of that conclusion,²⁶⁵ it is not at all clear from the opinion what that "element" was. If the additional piece necessary for the state law claim was the defendant's promise not to copy, that would have been nothing more than a promise not to violate one of the rights within the general scope of § 106. Pursuant to the shrinkwrap license, the plaintiff was seeking to extract a promise from the defendant not to

258. See also *HotSamba, Inc. v. Caterpillar, Inc.*, No. 01 C 5540, 2004 WL 609797, at *5 (N.D. Ill. Mar. 25, 2004) (following *ProCD* and finding no preemption of a breach of contract claim, under which defendant agreed to refrain from disclosing confidential information and had permission to create derivative works provided those works were not transferred to third parties, because rights claimed by plaintiff were both more expansive than and more restrictive than those afforded by copyright law).

259. 320 F.3d 1317 (Fed. Cir. 2003). See generally David A. Rice, *Copyright and Contract: Preemption After Bowers v. Baystate*, 9 ROGER WILLIAMS U. L. REV. 595 (2004) (analyzing the Federal Circuit's reasoning in *Bowers v. Baystate Technologies, Inc.*).

260. *Bowers*, 320 F.3d at 1322.

261. *Id.*

262. See *id.* at 1323-25. The Federal Circuit did, however, disagree with the jury instruction that "copyright law limited the scope of [plaintiffs'] contract provision"; the court still found substantial evidence so as to affirm the jury's verdict despite this error. See *id.* at 1326.

263. *Id.* at 1325. See *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 843 (Fed. Cir. 1992) ("[R]everse engineering object code to discern the unprotectable ideas in a computer program is a fair use."); accord *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1539 n.18 (11th Cir. 1996); *Sega Enters. Ltd v. Accolade, Inc.*, 977 F.2d 1510, 1520-21 (9th Cir. 1992).

264. *Bowers*, 320 F.3d at 1325.

265. See *id.* at 1324.

copy, under circumstances where that conduct was implicitly authorized by the Act.²⁶⁶ Although the agreement resulted in a private undertaking not to copy, the defendant's breach of this "promise" was still only a breach of the kind of right conferred on plaintiff as the copyright owner, but then restricted by the fair use doctrine.²⁶⁷ Indeed, because that doctrine is an equitably-created limitation on the rights of the copyright owner, the result here is especially problematic. The plaintiff was seeking to foreclose the defendant from undertaking activities which not only would be freely permitted by the public at large, but which would have benefited the public by the creation of another work. Thus, the suit for breach of that contractually created state law "right" should have been viewed as functionally "equivalent to" a suit under the copyright laws for infringement of that right, and should have been preempted.²⁶⁸

A more satisfactory application of the preemption doctrine to shrinkwrap licenses is found in the Fifth Circuit's *Vault Corp. v. Quaid Software Ltd.* decision.²⁶⁹ The plaintiff produced computer diskettes, incorporating its copyrighted software program, which were

266. See *supra* text accompanying note 263 (discussing when reverse engineering is permissible as fair use). The *Bowers* court observed that "[t]he shrink-wrap agreements in this case are far broader than the protection afforded by copyright law." 320 F.3d at 1326. At one level this is surely true; as just noted, the agreements sought to prohibit conduct that the statute allows. But this observation merely begs the question of whether the preemption provision in the Copyright Act forecloses the state from in fact affording that greater level of "protection" under its contract law. The legislative history of § 301, indicating that one of its goals was the achievement of national uniformity, dictates that the answer to this question must be a resounding "yes." See *supra* text accompanying notes 23-24.

267. This case raises the question of whether the defendant could have, by contract, waived its fair use defense, so that while reverse engineering would normally be permissible (and even desirable as a vehicle for creating additional works), the defendant would have been forbidden to engage in conduct otherwise allowable to the rest of the world. Another unanswered question is whether these contractual restrictions could have been made binding against third parties: Could the plaintiff also have used the shrinkwrap license to bar reverse engineering, and the creation of derivative works, by other entities to whom the defendant might have sold, loaned, or given away the plaintiff's software? Both of these questions are beyond the scope of this Article.

268. Ironically, the court seemed to recognize this equivalence, by upholding the district court's decision to drop copyright damages from the combined damage award. *Bowers*, 320 F.3d at 1327-28. That decision was correct, it said, because "the breach of contract damages arose from the same copying and included the same lost sales that form the basis for the copyright damages." *Id.* at 1328. See generally Christopher T. Blackford, Note, *Attention Shoppers: The Federal Circuit's Failure to Preempt Contractual Provisions Prohibiting Reverse Engineering May Create a Blue Light Special on Jurisdictional Forums*, 57 SMU L. REV. 63, 65 (2004) (arguing that "judicial enforcement of contractual provisions prohibiting reverse engineering will allow plaintiffs seeking copyright infringement damages to contract around the Copyright Act as if it were a default rule").

269. 847 F.2d 255 (5th Cir. 1988).

designed to prevent the unauthorized duplication of other programs placed on those diskettes by vendors of computer software, who were the plaintiff's customers.²⁷⁰ The plaintiff's diskettes were sold in a package that specifically prohibited the "copying, modification, translation, decompilation or disassembly of" its program.²⁷¹ The defendant also produced and sold diskettes, which contained a program that was expressly designed to defeat the plaintiff's protective program.²⁷² In order to produce its diskettes, the defendant had first copied plaintiff's program into the memory of its own computer and then analyzed the manner in which that program operated.²⁷³

In addition to asserting copyright claims for unauthorized copying, creation of an unauthorized derivative work, and contributing to infringement by others (i.e., by the purchasers of defendant's diskettes), the plaintiff also asserted a claim, pursuant to a state statute, for breach of its license agreement.²⁷⁴ After rejecting all of the plaintiff's federal copyright claims, the court of appeals correctly held that the state breach of contract claim was preempted.²⁷⁵ Remarkably, the court made no reference to § 301. Instead, it relied on the *Sears-Compco* line of cases²⁷⁶ for the proposition that state law that "touches upon an area" governed by federal law, and that would "set at naught" or deny the benefits of the federal policy embodied in that federal law, is preempted.²⁷⁷ Here, the court noted that state law conflicted with federal law in at least three significant ways.²⁷⁸

270. *Id.* at 256.

271. *Id.* at 257, 257 n.2.

272. *See id.* at 257.

273. *Id.*

274. *Id.* at 258. This state claim was brought under the Louisiana Software License Enforcement Act, LA. REV. STAT. ANN. § 51:1961-66 (2003) (original version at 1984 La. Acts. 744, § 1). The plaintiff had also asserted a misappropriation claim based on the Louisiana Uniform Trade Secrets Act, LA. REV. STAT. ANN. § 51:1431-39 (2003) (original version at ch. 1981 La. Acts. 462, §1). The district court had rejected that claim, and plaintiff abandoned it on appeal. *Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255, 268 (5th Cir. 1988).

275. *Vault*, 847 F.2d at 270.

276. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964); *see also infra* notes 463-477 (discussing the *Sears-Compco* cases).

277. *Vault*, 847 F.2d at 269 (quoting *Sears*, 376 U.S. at 229). The district court relied on both the *Sears-Compco* cases and § 301 to find that plaintiff's state law claim was preempted. *Vault Corp. v. Quaid Software Ltd.*, 655 F. Supp. 750, 762-63 (E.D. La. 1987), *aff'd* 847 F.2d 255 (5th Cir. 1988).

278. The court of appeals agreed with the district court's findings that,

(1) while the [Louisiana] License Act authorizes a total prohibition on copying, the Copyright Act allows archival copies and copies made as an essential step in

However, application of § 301 by the court of appeals would have produced the same result—preemption of the state claim. Here, the plaintiff's software clearly satisfied the second prong of the statute—it was a work falling within the subject matter of copyright, fixed in a tangible medium of expression.²⁷⁹ Furthermore, the plaintiff was essentially seeking overlapping protection under state law, for claims that were equivalent to its federal claims for unauthorized reproduction and creation of a derivative work.²⁸⁰

A consideration of the policy behind § 301 makes clear why both statutory and conflict preemption were appropriate here. Federal law has created a balance—affording certain rights to the owners of copyrightable works, but also limiting those rights and conferring parallel rights on others to make certain unauthorized uses of those works, free of any challenge. The allowance of a state claim here would have altered this balance and would indeed have “set at naught” the policies that the federal statutes reflect. Thus, this case also illustrates the complementary relationship between non-statutory preemption²⁸¹ and the preemption mandated by § 301.

By contrast, a recent Eighth Circuit case declined to follow *Vault* in another kind of software infringement action.²⁸² Its result, in my view, was an improper refusal to find non-statutory preemption. The plaintiff, the designer and owner of copyright in computer software, brought a breach of contract action against other software designers for unauthorized reverse engineering, based on the defendants' alleged violation of End-User License Agreements and Terms of Use agreements.²⁸³ The district court had held that this

the utilization of a computer program, 17 U.S.C. § 117; (2) while the License Act authorizes a perpetual bar against copying, the Copyright Act grants protection against unauthorized copying only for the life of the author plus fifty years, 17 U.S.C. § 302(a); and (3) while the License Act places no restrictions on programs which may be protected, under the Copyright Act, only “original works of authorship” can be protected, 17 U.S.C. § 102.

Vault Corp. v. Quaid Software Ltd., 847 F.2d 255, 269 (5th Cir. 1988).

279. See *supra* Part II.B.

280. By contrast, in *Frontline Test Equipment Inc. v. Greenleaf Software, Inc.*, 10 F. Supp. 2d 583, 585 (W.D. Va. 1998), the parties had entered into a written agreement authorizing the defendant to distribute the plaintiff's software. In violation of that agreement, the defendant allegedly decompiled the computer code in that software to create a new, derivative work. *Id.* at 586. The court properly found that the plaintiff's breach of contract action contained an essential additional element—the parties' agreement contained a provision allegedly expressly prohibiting decompilation—and that, because specific conduct is not among the rights found in the Copyright Act, the breach of contract claim was not preempted. See *id.* at 593.

281. See Part III (discussing non-statutory bases for preemption).

282. *Davidson & Assocs. v. Jung*, 422 F.3d 630, 638 (8th Cir. 2005).

283. See *id.* at 633, 636-37.

state law claim was not preempted by § 301, and the defendants did not pursue that defense.²⁸⁴ Instead, on appeal, they relied only on non-statutory (conflict) preemption. Rejecting this argument, the court of appeals concluded that “the state law at issue here neither conflicts with the interoperability exception under 17 U.S.C. § 1201(f) nor restricts rights given under federal law.”²⁸⁵ Then, in a single paragraph, the court—relying on *Bowers*²⁸⁶ and *National Car Rental*²⁸⁷ for the proposition that parties may contractually promise not to engage in conduct that is otherwise permitted by the copyright laws, including the right to engage in reverse engineering or to rely on the fair use doctrine—concluded that the contractual claims were not preempted.²⁸⁸ However, here too, the court failed to give appropriate heed to the policies underlying the copyright regime.

As has already been emphasized, the copyright laws give certain rights to copyright owners but withhold rights from others, both in recognition of the important interests of the users of copyrighted works and, of equal importance, because certain uses are likely to result in the creation of additional, and potentially valuable, new works. In setting forth the scope and extent of those rights that have been granted and withheld, Congress made a determination of the appropriate level of protection for creative expressions.²⁸⁹ Contracts limiting the ability of others to create new works—when the copyright laws would freely permit, if not encourage, such behavior—result in a distortion of the federal balance between rewards to copyright owners and the encouragement of innovation and creativity. Allowing a contractual restriction under state law on otherwise protected conduct harms society, and thus, it is inconsistent with this

284. *Id.* at 638 n.9; *see also supra* note 240 (discussing the district court’s decisions).

285. *Davidson*, 422 F.3d at 639.

286. *Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317 (Fed. Cir. 2003); *see supra* text accompanying notes 259-268.

287. *Nat’l Car Rental Sys., Inc. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426 (8th Cir. 1993); *see supra* text accompanying notes 203-209.

288. *Id.*; *see also Meridian Project Sys., Inc. v. Hardin Constr. Co.*, 426 F. Supp. 2d 1101, 1109 (E.D. Cal. 2006) (citing *Bowers*, 320 F.3d at 1324-25) (finding no preemption of breach of software manufacturer’s End-User License Agreement, which prohibited reverse engineering, because “[r]everse engineering is not within the scope of the exclusive rights of copyright.”).

289. *Cf. Rano v. Sipa Press, Inc.*, 987 F.2d 580, 585-86 (9th Cir. 1993) (finding that attempt to terminate licensing agreement of non-specified duration, pursuant to state contract law, was preempted, because contradicted the method and timeframe for termination of licenses set forth in § 203 of Copyright Act); *Valente-Kritzer Video v. Pinckney*, 881 F.2d 772, 774 (9th Cir. 1989) (affirming dismissal of claim for breach of alleged oral agreement on the grounds that “[s]ection 204(a) not only bars copyright infringement actions but also breach of contract claims based on oral agreements”).

overall body of law, which was enacted pursuant to constitutional authority that itself embodies this balance between the interests of authors and others.

f. Claims for Misuse of Trade Secrets

The continued availability of state law claims for most instances of misuse of trade information or trade secrets, either by breach of a promise of confidentiality or by obtaining that information by improper means, is justified both by the extra element test and by sound policy analysis.²⁹⁰ The particular contours of these claims will of course be determined by state law, including both the information subject to protection and the defendant's allegedly improper conduct that will support a claim. But, generally, such claims will require proof that the information was novel and had some business value; that the plaintiff took reasonable steps to keep it secret; and either that the information was conveyed to the defendant with a promise (and expectation) of confidentiality or that the defendant obtained the information by theft, fraud, or other misconduct.²⁹¹ These are all important "extra elements" that would not need to be proven if the plaintiff's claim were merely for the unauthorized "reproduction" or "distribution" of material within the subject matter of copyright.²⁹²

Judicial treatment of these claims has not been particularly problematic. Most courts that have considered this issue have properly found that state claims for misappropriation of trade secrets require proof of an "extra element" and thus, are not preempted by § 301. For example, in *Dun & Bradstreet Software Services, Inc. v. Grace Consulting, Inc.*,²⁹³ the plaintiff sought relief for the defendant's

290. Allowing state protection for trade secret protection is also consistent with the legislative intent. See H.R. REP. NO. 94-1476, at 132 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748 ("The evolving common law right[] of . . . trade secrets . . . would remain unaffected as long as the causes of action contain elements, such as . . . a breach of trust or confidentiality, that are different in kind from copyright infringement.").

291. See UNIF. TRADE SECRETS ACT § 1(1)-(2), (4), 14 U.L.A. 537-38 (2005).

292. Since the information or secrets taken are usually in the form of data or facts, an alternate basis for asserting that a state law claim would not be preempted is arguably that the "work" taken does not fall within the "subject matter of copyright." See, e.g., *Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc.*, 307 F.3d 197, 218 (3d Cir. 2002) (finding that claim for misappropriation of customer lists was not preempted by § 301(b)(1), because they were "not subject to copyright"). However, a number of courts have held that even such unprotectable matter falls within that prong of § 301. See *infra* text accompanying notes 404, 416-420, 425-428.

293. 307 F.3d at 216-18.

misappropriation of software and customer lists. The district court had dismissed the plaintiff's claim, finding it preempted by § 301.²⁹⁴

Applying the "extra element" test, the Third Circuit reversed. It concluded that the plaintiff could not recover merely by proving unauthorized copying of its software, and therefore, that a "state law misappropriation of trade secrets claim that requires proof of a breach of duty of trust or confidence to the plaintiff through the improper disclosure of confidential materials is *qualitatively different* because it is not an element of copyright infringement."²⁹⁵ Even the handful of cases that have dismissed the trade secret claim have used this "extra

294. *Id.* at 216.

295. *Id.* at 218 (emphasis added). Other courts of appeals have reached similar conclusions. See *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1165 (1st Cir. 1994) ("[P]articipation in the breach of a duty of confidentiality—an element that forms no part of a copyright infringement claim—represents unfair competitive conduct qualitatively different from mere unauthorized copying."); *Avtec Sys., Inc. v. Peiffer*, 21 F.3d 568, 574 (4th Cir. 1994) (citing *Trandes Corp. v. Guy F. Atkinson Co.*, 996 F.2d 655, 660 (4th Cir. 1993)) (following *Trandes Corp. v. Guy F. Atkinson Co.* and finding no preemption because misappropriation claim required "proof of breach of confidence"); *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 847-48 (10th Cir. 1993) (finding that a trade secret claim was not preempted since it required proof of extra element of "breach of a duty of trust or confidence"); *Trandes*, 996 F.2d at 660 ("[B]reach of a duty of trust or confidentiality comprises the core of actions for trade secret misappropriation, and 'supplies the "extra element" that qualitatively distinguishes such trade secret causes of action from claims for copyright infringement that are based solely upon copying.'" (quoting *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 717 (2d Cir. 1992))); *S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1090 n.13 (9th Cir. 1989) (finding no preemption because the state trade secrets claim "prohibiting certain means of obtaining confidential information" did not involve a legal right equivalent to any such rights under the 1976 Act); see also *Huckshold v. HSSL, L.L.C.*, 344 F. Supp. 2d 1203, 1209-10 (E.D. Mo. 2004) (finding no preemption because the misappropriation of trade secret claim required the extra element of "breach of duty of trust or confidentiality"); *Assoc. of Am. Med. Colleges v. Princeton Review, Inc.*, 332 F. Supp. 2d 11, 23-24 (D.D.C. 2004) (holding that the extra element of proof of "improper acquisition of secret material or a breach of confidentiality" precluded preemption); *Higher Gear Group, Inc. v. Rockenbach Chevrolet Sales, Inc.*, 223 F. Supp. 2d 953, 957-58 (N.D. Ill. 2002) (noting that the requirement that plaintiff prove "breach of confidential relationship" is an additional element that changes nature of action from copyright infringement); *Firoozye v. EarthLink Network*, 153 F. Supp. 2d 1115, 1130-31 (N.D. Cal. 2001) (holding that there was no preemption, because a trade secret claim requires proof that information was "not . . . generally known to public" and that reasonable efforts were taken to maintain its secrecy); *Tingley Sys., Inc. v. CSC Consulting, Inc.*, 152 F. Supp. 2d 95, 107 (D. Mass. 2001) (following *Data General* and finding that the element of "breach of a confidential relationship" precluded preemption for trade secret claims); *Micro Data Base Sys., Inc. v. Nellcor Puritan-Bennett, Inc.*, 20 F. Supp. 2d 1258, 1262 (N.D. Ind. 1998) (finding that the extra element of "breach of trust" precluded preemption); cf. *Fischer v. Viacom Int'l, Inc.*, 115 F. Supp. 2d 535, 542-44 (D. Md. 2000) (dismissing a claim for breach of confidential arrangement, based on defendant's use of plaintiff's idea for a television program, and noting that, while the "Act does not preempt such claims because they involve the extra element of a confidential promise or duty of trust between the parties," plaintiff inadequately pleaded existence of confidential relationship).

element” approach, but then have held the claim to be preempted because the specific nature of the plaintiff’s action did not require proof of such an element.²⁹⁶

Policy analysis also supports the conclusion that such actions ought not to be preempted. The public welfare is advanced by encouraging the creator of ideas, customer lists, collections of “data,” or other business information to share that information with, or to convey it to, others if he or she wishes to do so. However, in most cases, that creator understandably will agree to share that information only under a promise of confidentiality and an expectation of compensation either for its use or for its improper disclosure. There is also a public interest in allowing the creator the alternative, if he or she so chooses, of maintaining the secrecy of that information and remaining secure from its improper appropriation.

It is a basic principle that facts, processes, ideas, and the like are unprotected by copyright,²⁹⁷ and therefore, resort to the copyright regime for their protection and exploitation is unavailable. In the absence of the enforceability under state law of a promise of confidentiality and nondisclosure, it is likely that much information would simply not be shared with others, thereby diminishing societal economic welfare. Indeed, absent the ability to control and then reap certain rewards for that sharing, oftentimes the information would never be gathered or assembled in the first place, in which case society would be even worse off. Similarly, if state law could not provide

296. See, e.g., *Stromback v. New Line Cinema*, 384 F.3d 283, 303-05 (6th Cir. 2004) (recognizing that claims for misappropriation of trade secrets are usually not preempted, but affirming dismissal of plaintiff’s claims because allegedly misappropriated works did not constitute trade secrets); *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1549 (11th Cir. 1996) (stating that, “as a general matter, state law trade secret statutes have been deemed not to be preempted because the plaintiff must prove the existence and breach of a confidential relationship in order to prevail,” but ultimately finding insufficient evidence to establish existence of a confidential relationship); *Evolution, Inc. v. Suntrust Bank*, 342 F. Supp. 2d 943, 963 (D. Kan. 2004) (preempting a trade secret claim for failure to allege the extra element of breach of the duty of trust); *Keane v. Fox Television Stations, Inc.*, 297 F. Supp. 2d 921, 944-45 (S.D. Tex. 2004) (rejecting a trade secret claim because plaintiff could not establish that his idea was conveyed in confidence or that an express or implied contractual relationship existed between him and the defendants) (alternative holding), *aff’d*, 129 F. App’x 874 (5th Cir. 2005); *Idema v. Dreamworks, Inc.*, 162 F. Supp. 2d 1129, 1194-95 (C.D. Cal. 2001) (concluding that a trade secret claim was preempted, not only because plaintiff did not make requisite “disclosure,” but also because alleged “trade secrets” were plaintiff’s idea and expressions”), *aff’d in part, dismissed in part*, 90 F. App’x 496 (9th Cir. 2004); *Avco Corp. v. Precision Air Parts, Inc.*, No. 79-275-N, 1980 U.S. Dis. LEXIS 16413, at *8 (M.D. Ala. Sept. 4, 1980) (preempting plaintiff’s claim because it did “not require the elements of an invasion of privacy, a trespass, a breach of trust or a breach of confidentiality”), *aff’d on other grounds*, 676 F.2d 494 (11th Cir. 1982).

297. See 17 U.S.C. § 102(b) (2000).

remedies against persons who use improper means to obtain trade secrets, firms would have to incur significant and unnecessary expenses to insure their continued secrecy, and "bad behavior" would be undeterred and go unpunished. Affording protection for this conduct under state law, then, benefits society without undermining any of the values of the copyright regime.

g. Right of Publicity

Courts have had substantial difficulty wrestling with the proper scope of the preemption of a state right of publicity claim. One of the more important decisions dealing with these claims is *Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n.*²⁹⁸ The Players Association asserted that the agreements between Major League Baseball and television broadcasters, providing for the telecast of the players' "performances" during baseball games, without their permission, constituted a violation of their right of publicity.²⁹⁹ The Seventh Circuit held that these state law claims were preempted.³⁰⁰ In a portion of the opinion that continues to be a matter of controversy more than two decades later,³⁰¹ the court initially concluded that because the performances were fixed in tangible form in copyrightable works—principally on videotapes—they fell within the "subject matter of copyright."³⁰² The court then concluded that the second portion of the first prong of § 301 was also satisfied, because the rights claimed by the plaintiffs under state law³⁰³ were equivalent to the right to "perform" the audiovisual works, which federal law affords exclusively to the copyright owner, and that the very same conduct—the alleged unauthorized broadcasts—gave rise to both claims.³⁰⁴ The Seventh

298. 805 F.2d 663 (7th Cir. 1986). For further discussion of the *Baltimore Orioles* decision, see generally David A. Shipley, *Three Strikes and They're Out at the Old Ball Game: Preemption of Performers' Right of Publicity Under the Copyright Act of 1976*, 20 ARIZ. ST. L. J. 369 (1988), and Shelley Ross Saxer, Note, *Baltimore Orioles, Inc. v. Major League Baseball Players Association: The Right of Publicity in Game Performances and General Copyright Preemption*, 36 UCLA L. REV. 861 (1989).

299. See *Baltimore Orioles*, 805 F.2d at 667, 667 n.2.

300. *Id.* at 674-75.

301. See *infra* note 418 and accompanying text.

302. *Baltimore Orioles*, 805 F.2d at 675; see also *infra* notes 410-419 and accompanying text (further discussing the court's treatment of this issue in detail).

303. "[T]he Players consistently have maintained that their rights of publicity permit them to control telecasts of their performances, and that televised broadcasts of their performances made without their consent violate their rights of publicity in their performances." *Baltimore Orioles*, 805 F.2d at 677.

304. See *id.* The court offered several examples of claims which would *not* have been preempted, because they required significantly different evidence than infringement of a

Circuit dismissed the plaintiffs' suggestion that the state and federal rights were not equivalent because they served different interests; however, the court did not follow the more straight-forward approach, which would have been a recognition that such "interests," or, more broadly, the legislative motivation for the enactment of a statute, are not "elements" of a claim for purposes of determining "equivalence." Instead, the court held that both bodies of law served a similar purpose, which was offering incentives for the creation of works that would "appeal to the public."³⁰⁵ Nonetheless, this case serves as an important precedent for the proposition that many right of publicity claims satisfy the "equivalence" requirement and therefore, should be preempted because they overlap with or duplicate claims under the copyright regime.³⁰⁶

A comparably straightforward situation for finding that a right of publicity claim was *not* preempted is presented by a case like *Downing v. Abercrombie & Fitch*.³⁰⁷ Several decades after a photographer had taken pictures of the plaintiffs, the photographer entered into a contract with the defendant—clothing retailer—unbeknownst to, and without the agreement of, the plaintiffs—allowing the defendant to use those photographs in its catalog.³⁰⁸ Although the claim was denominated as an action for misappropriation of the plaintiffs' names and likenesses, the court properly evaluated it as one for breach of the right of publicity.³⁰⁹ Rejecting the assertion that this action was preempted by § 301, the Ninth Circuit properly held that, although the plaintiffs' *personas* were embodied in the copyrightable photographs, the *subject matter* of

right of "performance." See *id.* at 676 n.24. These included the use by a company, without the player's consent, of his name or likeness to advertise its product; the placement of the player's photograph on a playing card; and marketing a game based on the player's career statistics. *Id.*

305. *Id.* at 678 ("Contrary to the [P]layers' contention, the interest underlying the recognition of the right of publicity also is the promotion of performances that appeal to the public.").

306. Although not dispositive, it is noteworthy that here the Players had also asserted—unsuccessfully—a claim for copyright infringement. See *id.* at 667-73 (concluding that the Players did not own the copyright in telecasts of their baseball games and that the parties did not expressly agree to "rebut the statutory presumption that employer owns the copyright in a works made for hire").

307. 265 F.3d 994 (9th Cir. 2001). For a further discussion of *Downing*, see generally Erin C. Hansen, Note, *The Right of Publicity Expands Into Hallowed Ground: Downing v. Abercrombie & Fitch and the Preemption Power of the Copyright Act*, 71 UMKC L. REV. 171 (2002).

308. *Downing*, 265 F.3d at 999-1000.

309. See *id.* at 1000, 1003. Because the plaintiffs had no copyright interest in the photographs, they would have had no rights against the defendant under the Copyright Act.

their claims was the unauthorized use of their names and likenesses.³¹⁰ Furthermore, the action for the defendant's use of their *personas*, which required evidence that the defendant's actions were undertaken for commercial purposes and without the plaintiffs' permission,³¹¹ alleged meaningful additional elements.

Far more problematic in its treatment of the preemption of the right of publicity is another Ninth Circuit decision, *Wendt v. Host International, Inc.*,³¹² which is among the most frequently-discussed and heavily-criticized decisions dealing with this question.³¹³ The plaintiffs had respectively portrayed Norm and Cliff on the long-running *Cheers* television program; it was produced by Paramount, which also owned the copyright in the show.³¹⁴ After securing a license from Paramount, the defendant decided to open several *Cheers* airport bars. To help evoke the *Cheers* theme, Host placed "animatronic" figures³¹⁵ resembling the characters of Norm and Cliff in front of and inside those bars.

310. *Id.* at 1003-04.

311. *See id.* at 1001, 1005; *see also* Brown v. Ames, 201 F.3d 654, 657-59 (5th Cir. 2000) (upholding the district court's determination that § 301 did not preempt a misappropriation claim based on defendants' unauthorized use of plaintiffs' names and likenesses (their *personas*) to promote sales of unlawfully made cassettes and CDs of musical works and sound recordings on which plaintiffs retained copyright).

312. 50 F.3d 18, 1995 WL 115571 (9th Cir. 1995) (unpublished table decision), *rev'd*, 125 F.3d 806 (9th Cir. 1997).

313. For various criticisms of *Wendt* and the right of publicity, *see* Rothman, *supra* note 6, at 210-12, 259-61; Michael J. Albano, Note, *Nothing to "Cheer" About: A Call for Reform of the Right of Publicity in Audiovisual Characters*, 90 GEO. L.J. 253 (2001); Jennifer Choi, Comment, *No Room for Cheers: Schizophrenic Application in the Realm of Right of Publicity Protection*, 9 VILL. SPORTS & ENT. L.J. 121 (2002); Dawn H. Dawson, Note, *The Final Frontier: Right of Publicity in Fictional Characters*, 2001 U. ILL. L. REV. 635 (2001); Sean Elliot, Note, *Dancing Promotions, Dodging Preemption, and Defending Personas: Why Preempting the Right of Publicity Deprives Talent the Publicity Protection They Deserve*, 73 NOTRE DAME L. REV. 1625, 1649-50 (1998); Ashley D. Hayes, Note, *The Right of Publicity and Protection of Personas: Preemption Not Required*, 51 SYRACUSE L. REV. 1049 (2001); Peter K. Yu, Note, *Fictional Persona Test: Copyright Preemption in Human Audiovisual Characters*, 20 CARDOZO L. REV. 355 (1998); *see also* Vincent M. de Grandpré, *Understanding the Market for Celebrity: An Economic Analysis of the Right of Publicity*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 73 (2001) (arguing that the current right of publicity is overbroad and suggesting that celebrity identities be protected by liability, not property, rules); Melissa B. Jacoby & Diane Leenheer Zimmerman, *Foreclosing on Fame: Exploring the Uncharted Boundaries of the Right of Publicity*, 77 N.Y.U. L. REV. 1322 (2002) (examining the right of publicity in the context of a debtor-creditor system and asserting that celebrity personas should be treated as commodities).

314. *Wendt v. Host Int'l Inc.*, 197 F.3d 1284, 1285-86 (9th Cir. 1999) (Kozinski, J., dissenting).

315. "As best the record discloses, these are life-size stuffed dolls that move somewhat and play pre-recorded quips." *Id.* at 1284, 1284 n.4.

The plaintiffs brought an action under California's right of publicity statute and its common law doctrine, based on the defendant's unauthorized use of their identities or likenesses. Reversing the district court's grant of summary judgment for the defendants, the Ninth Circuit held, in a decision containing minimal analysis, that these claims were not preempted because they required proof of additional elements beyond those needed to make out a copyright claim—specifically, “proof that the defendant's use of the plaintiffs' ‘likeness’ or ‘identity’ was commercial (i.e. connected with selling or promoting a product), whereas copyright infringement occurs with any unauthorized copying of the protected material.”³¹⁶

This supposed “additional element” is, in fact, meaningless for proper preemption analysis. Every episode in the *Cheers* series constituted an audiovisual work. The use by the defendant in *Wendt* of the materials from that series, which inevitably used a depiction of the characters in that show,³¹⁷ involved either the reproduction and then the distribution of copyrightable elements of those works, or the creation and then the distribution of derivative works of those works. These uses of the *Cheers* program were among the exclusive rights conferred by the 1976 Act on Paramount, the copyright owner, or on its licensee. Therefore, had anyone else—and that includes the plaintiffs—made photographs, posters, paintings, or even animatronic figures of those copyrighted elements, or made derivative works thereof, Paramount would have had a claim for copyright

316. *Wendt v. Host Int'l, Inc.*, 50 F.3d 18, 1995 WL 115571, at *1 (9th Cir. 1995) (unpublished table decision). Initially, in a decision which the court had indicated as not appropriate for publication, the Ninth Circuit made the bald, and erroneous, assertion that, “[a]t the outset, we wish to make it clear that this is not a preemption case.” *Id.* Presumably, the court meant that it had concluded that, under appropriate, albeit absent, analysis, the right of publicity claim was not preempted. Upon remand, the district court had granted summary judgment for the defendants on other grounds; on review of that decision, the Ninth Circuit again reversed, this time in a published decision. *Wendt v. Host Int'l, Inc.*, 125 F.3d 806, 809 (9th Cir. 1997). In that decision, which involved a different panel of judges, review of the preemption issue was confined to whether its earlier conclusion was affected by an intervening state court case, *Fleet v. CBS, Inc.*, 58 Cal. Rptr. 2d 645 (Cal. Ct. App. 1996). See also *infra* note 318 (discussing *Fleet*). The court of appeals concluded that this decision did not affect its “no preemption” conclusion, since “[a]ppellants here [were] not seeking to prevent Paramount from exhibiting its copyrighted work in the *Cheers* series.” *Wendt*, 125 F.3d at 810.

317. Since the plaintiffs were the only actors who portrayed these characters, it would have been surprising had the animatronic depiction of the characters not borne some resemblance to the plaintiffs. In fact, after remand from the first court of appeals decision, the district court had made an in-court inspection of the robots and found that there was not “any similarity at all” to the plaintiffs themselves. *Id.* at 809. The court of appeals reversed, finding that there were disputed issues of material fact on this question, requiring evaluation at trial. *Id.*

infringement. Even if it is true that Paramount's subsequent use of its own copyrighted works was commercial—and showing *Cheers* in syndicated form or creating a sequel series using the characters from *Cheers* would certainly also have been commercial—that added “fact” or “element” in a right of publicity action does not, by itself, properly give rise to a claim that is not “equivalent to” the rights conferred on the copyright owner by § 106. Because the state claim substantially interfered with rights conferred on Paramount by federal law, it should have been preempted.³¹⁸

*Toney v. L'Oreal USA, Inc.*³¹⁹ is less problematic, although it also concluded that the state right of publicity claim was not preempted. The defendants, manufacturers of hair-care products, owned the copyright to the plaintiff's photograph; she had authorized the defendants to use her likeness, as reflected by that photograph, on product packaging and in magazine advertisements for a defined time period.³²⁰ She alleged that, after the expiration of that time, the defendants continued to use her likeness on packaging and promotion without her permission. The district court concluded that her right of

318. Several of the defects in the court's reasoning are well analyzed by Judge Kozinski's opinion, dissenting from the court's decision denying the petition for rehearing en banc. *Wendt v. Host Int'l, Inc.*, 197 F.3d 1284 (9th Cir. 1999). As he noted, “[t]he parties are fighting over the *same bundle* of intellectual property rights—the right to make dramatic representations of the characters Norm and Cliff.” *Id.* at 1286 (emphasis added). While the source of their claims—the plaintiffs relied on state law, the defendants' rights arose under the federal Copyright Act—obviously differed, the *nature of those rights*, which involved the distribution and display of likenesses of the *Cheers* characters portrayed by the plaintiffs, was the same.

A California state court reached a far sounder result in a case presenting similar issues. *Fleet*, 58 Cal. Rptr. 2d at 645. The plaintiffs were actors in a motion picture film, the copyright for which was owned by the defendant. The plaintiffs had been involved in unsuccessful litigation with the production company because they had allegedly not been paid for their performances. *Id.* at 647. Therefore, after CBS released the film on videotape, they brought an action against CBS for violation of their right of publicity, asserting that it did not have their permission to utilize their names, pictures, or likenesses in conjunction with its commercial exploitation of the film. *Id.* In affirming the trial court's conclusions that these claims were preempted, the court of appeals distinguished several decisions that allowed state claims for such *uncopyrightable* elements as an individual's face, name, or voice, to proceed. *See id.* at 650-53. Here, by contrast, these plaintiffs—as was true of the plaintiffs in *Wendt*—were seeking to limit the copyright owner's exercise of rights conferred on it by the Copyright Act. *Id.* at 650. Therefore, the California court was correct in its conclusions that these plaintiffs were “seek[ing] to prevent CBS from using performances captured on film,” *id.* at 651; that these performances were copyrightable; and “that a party who does not hold the copyright in a performance captured on film cannot prevent the one who does from exploiting it by resort to state law.” *Id.* at 652-53.

319. 406 F.3d 905 (7th Cir. 2005).

320. *Id.* at 907.

publicity claim was preempted.³²¹ In an earlier opinion in the proceedings, the Seventh Circuit had concluded that the claim was “based upon her right to publicity in her likeness in photographic form,” and that, therefore, the “likeness” was within the subject matter of copyright.³²² Upon rehearing, the panel vacated its original opinion and reversed the district court.³²³

The court of appeals concluded that the plaintiff’s right of publicity claim was not preempted because it satisfied *neither* of the prongs of § 301. As to the first prong, the court mistakenly asserted, as had the Ninth Circuit in *Wendt*,³²⁴ that the “commercial purpose” requirement in the state statute constituted the necessary extra element, making the state action not “equivalent to” a copyright infringement action.³²⁵ But, the very essence of the bundle of rights conferred by § 106—which affords the copyright owner the right “to do and to authorize” others to do a number of activities—is the conferral on the copyright owner of the *economic* benefits from the exploitation of those rights.³²⁶ The Seventh Circuit buttressed its reliance on the “commercial purpose” element of plaintiff’s cause of action by asserting that the “defendants did not have [plaintiff’s] consent to continue to use the photograph, and therefore, they stripped Toney of her right to control the commercial value of her identity.”³²⁷ However, the financial implications of the allegedly unlawful behavior do not alter the underlying nature of the plaintiff’s claim; it was akin to a claim for the unauthorized reproduction and distribution of a copyrighted work—the photograph—which typically will have commercial implications.

321. *Toney v. L’Oreal USA, Inc.*, No. 02 C 3002, 2002 WL 31455975, at *3 (N.D. Ill. Nov. 1, 2002), *vacated in part*, 406 F.3d 905 (7th Cir. 2005).

322. *Toney v. L’Oreal U.S.A., Inc.*, 384 F.3d 486, 490 (7th Cir. 2004). However, the plaintiff could not have brought a copyright infringement action because, as noted, the defendant owned the copyright in the photograph. The court of appeals wondered why the plaintiff had not asserted a breach of contract action against the defendant, “which would have most likely avoided these copyright preemption issues.” *Id.* at 492.

323. *Toney v. L’Oreal USA, Inc.*, 406 F.3d 905, 911 (7th Cir. 2005).

324. *See supra* text accompanying notes 314-318.

325. *See Toney*, 406 F.3d at 910. The failure of the right of publicity claim to satisfy the first prong of § 301—similarity to the bundle of rights afforded by § 106—may be supported by the court’s statement that the copyright laws do not reach or protect “an amorphous concept” like identity. *Id.* However, this assertion actually sounds more like a failure to meet the “subject matter of copyright” requirement (the second prong of § 301) than a divergence from any of the “rights” conferred by the Act.

326. *Cf. Laws v. Sony Music Enter., Inc.*, 448 F.3d 1134, 1144 (9th Cir. 2006), *cert. denied*, 127 S. Ct. 1371 (2007) (finding preemption of a voice misappropriation claim where the plaintiff-singer had contracted away the right to license her master recordings); *see also infra* notes 338-344.

327. *Toney*, 406 F.3d at 910.

Nonetheless, the court's conclusion of *non*-preemption is still justified because the plaintiff's claim did not satisfy the second "subject matter of copyright" prong.³²⁸ Importantly, the premise underlying the plaintiff's claim was not for the unauthorized use of a particular photograph, but rather, as in *Downing*,³²⁹ for the use of her identity or *persona*.³³⁰ An action for violation of that interest was not within the scope of § 102, because, unlike the photograph, her identity could not be a "work of authorship," and it was not "fixed in a tangible medium of expression."³³¹

328. See *infra* Part II.B.1.

329. See *supra* text accompanying notes 307-311.

330. As the court noted, the offending photograph was "merely one copyrightable 'expression' of the underlying 'work,' which is the plaintiff as a human being." *Toney*, 406 F.3d at 908-09 (citation omitted). There could be hundreds of other photographs of the plaintiff, each separately entitled to copyright protection and potentially owned by an equal number of photographers (or their assignees). By contrast, there can only be one *persona* of a person, and it is that identity which is protected by the right of publicity. *Id.* at 909.

331. Following a similar approach, the court in *KNB Enterprises v. Matthews*, incorrectly held that a right of publicity claim was not preempted. 92 Cal. Rptr. 2d 713, 723 (Cal. Ct. App. 2000). The plaintiff was the copyright owner of several hundred photographs; the models in those photos had assigned their right of publicity. Without obtaining the plaintiff's permission, the defendant displayed those photographs on his website. *Id.* at 716. The court held that the plaintiff's state law claim—for misappropriation of the models' right of publicity—could proceed; it concluded that the subjects of the claims were the model's uncopyrightable likenesses rather than the copyrighted photographs, and that the right of publicity generally does not fall within the subject matter of copyright. *Id.* at 723. But here, unlike in *Toney*, the use of the models' *personas* was not essential to the defendant's conduct; rather, he simply made an unauthorized web posting of their faces and bodies without revealing their names or identities. See *Id.* at 716, 718. And here, where the essence of the plaintiff's claim arose out of the unauthorized reproduction, distribution, and display of those photographs, the court did not even suggest that this right of publicity action asserted any additional element.

Another incorrect decision is *Michaels v. Internet Entertainment Group, Inc.*, 5 F. Supp. 2d 823 (C.D. Cal. 1998). The defendants had obtained a videotape of the plaintiffs—Bret Michaels and Pamela Anderson Lee—engaged in sexual intercourse (the Tape). *Id.* at 828. Asserting claims both of copyright infringement and breach of their California right of publicity, they sought a preliminary injunction barring the defendants from distributing or displaying the Tape on the Internet. *Id.* at 829. The court held that, because "the plaintiffs [had] alleged that the defendants [had] used their names, likenesses, and identities on radio, television, and the Internet to advertise the imminent distribution of the Tape," the conduct underlying the claim was "unrelated to the elements of copyright infringement, which are concerned only with distribution of the Tape itself." *Id.* at 837. But, of course, these proffered "extra elements" are, at best, trivial. Virtually every distribution of an audiovisual work will include an identification of the subject of the work, including the actors, if any, and the distributor often will include their photographs on the box of the videotape or in advertisements used in connection with that activity. If the distribution of this Tape indeed was unauthorized, the plaintiffs could have obtained full relief under the federal copyright laws; the state claim added nothing meaningful either by way of subject matter or of rights.

This narrower approach to the “subject matter of copyright” prong of § 301 was also given an improper application in a pair of older Ninth Circuit cases that dealt with “voice imitation”—*Midler v. Ford Motor Co.*³³² and *Waits v. Frito-Lay, Inc.*³³³ In both cases, the same defendants—an advertiser and its agency—had initially solicited the participation by the respective plaintiffs, Bette Midler and Tom Waits, in commercials for their products. After being turned down by Midler and Waits, the defendants hired less-famous singers to imitate the plaintiffs’ unique vocal styles for their commercials.³³⁴ In actions seeking recovery for violation of their rights of publicity, the Ninth Circuit upheld both trial courts’ refusals to dismiss these actions on preemption grounds for the simple reason that a “voice is not copyrightable.”³³⁵ However, as discussed more fully below,³³⁶ the “subject matter of copyright” also includes the uncopyrightable elements of copyrighted works. As recording artists, both Midler and Waits had made numerous copyrighted sound recordings, of which their distinctive voices were essential elements. Rather than viewing the absence of protection for a performer’s voice as an instance of a presumed “right” that somehow had fallen between the cracks of the federal copyright regime, the better view is that any failure to permit relief to Midler and Waits can be seen as part of the congressional design regarding those creations that will, and those that will not, get protection under either federal *or state* law.³³⁷

By contrast, in a recent case, the Ninth Circuit properly upheld the dismissal of a different state right of publicity claim on preemption grounds.³³⁸ The plaintiff, a professional vocalist, had performed a

332. 849 F.2d 460 (9th Cir. 1988).

333. 978 F.2d 1093 (9th Cir. 1992).

334. *Waits*, 978 F.2d at 1093, 1097-98; *Midler*, 849 F.2d at 461.

335. *Waits*, 978 F.2d at 1100; *Midler*, 849 F.2d at 462. The *Midler* court continued: “The sounds are not ‘fixed.’ What is put forward as protectible [sic] here is more personal than any work of authorship.” 849 F.2d at 462. The Ninth Circuit adhered to this analysis in *Waits*: “Waits’ claim, like Bette Midler’s, is for infringement of voice, not for infringement of a copyrightable subject such as sound recording or musical composition.” 978 F.2d at 1100.

336. See *infra* Part II.B.1.

337. In a case decided between the *Midler* and *Waits* cases—*White v. Samsung Electronics America, Inc.*—Vanna White successfully asserted a right of publicity claim against a manufacturer of electronic goods, which had used, in a commercial, a robot dressed in clothing, and arrayed on a set, which would evoke White’s role on the “Wheel of Fortune” television show. 971 F.2d 1395, 1396 (9th Cir. 1992). The Ninth Circuit permitted her right of publicity action to proceed without even addressing the possibility that her claim might be preempted by the copyright laws. See *id.* at 1397-99.

338. *Laws v. Sony Music Enter., Inc.*, 448 F.3d 1134, 1136 (9th Cir. 2006), *cert denied*, 127 S. Ct. 1371 (2007).

song that was embodied in a sound recording; she did not have copyright interests in either the song or the sound recording.³³⁹ She brought an action for invasion of privacy for the misappropriation of her name and voice, and for violation of her right of publicity,³⁴⁰ against a recording company that had incorporated a “sample” of her song in the sound recording of two other recording artists.³⁴¹ Upholding the district court’s dismissal of her state claims,³⁴² the court of appeals correctly concluded that her action—although couched as one for unauthorized use of her likeness and *persona*, rather than for unauthorized reproduction of her contribution to the sound recording—was within the subject matter of copyright, since the defendant’s taking was of a “work of authorship.”³⁴³ And, in contrast to *Toney*, the court also properly concluded that the state law requirement of proof of a “commercial purpose” necessary to make out a claim for the right of publicity was not a meaningful “extra element” in addition to those needed to assert a copyright claim for unauthorized reproduction, since it did not “transform the nature of the action.”³⁴⁴

Numerous other cases have struggled to identify the appropriate limits of right of publicity actions.³⁴⁵ Preemption is

339. *Id.*

340. *Id.*

341. The defendant had obtained a license from the copyright owners of the song and the sound recording, authorizing it to engage in that sampling. *Id.*

342. *Id.*; see also *Laws v. Sony Music Enter., Inc.*, 294 F. Supp. 2d 1160 (C.D. Cal. 2003).

343. See *Laws v. Sony Music Enter., Inc.*, 448 F.3d 1134, 1137-43 (9th Cir. 2006).

344. *Id.* at 1144. The court adopted the defendant’s assertion that the voice misappropriation claim was “not qualitatively different from the rights protected under copyright law because the sole basis for her voice misappropriation claim is the unauthorized reproduction of her copyrighted vocal performance.” *Id.* The court distinguished *Midler* and *Waits*, because here the defendant had engaged in the unauthorized “sampling,” or copying, of the plaintiff’s actual sound recording to create a new sound recording, rather than merely using a “sound alike.” *Id.* at 1040-41.

By contrast, in *Facenda v. N.F.L. Films, Inc.*, the court held that a claim under a state statute protecting against the unauthorized use of one’s *persona*, based on the defendant’s incorporation of the plaintiff’s decedent’s voice in films, was *not* preempted. 488 F. Supp. 2d 491 (E.D. Pa. 2007), amended by No. 06-3128, 2007 WL 1575409 (E.D. Penn. May 24, 2007) (granting request for interlocutory appeal and a stay of the proceedings). The court distinguished *Laws*, noting that here the defendant had agreed to limitations on the use of the sound recordings, and this action was one to enforce those limitations. See *id.*

345. Courts have, on occasion, cited *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977), as authority for the proposition that rights of publicity actions are not preempted. See, e.g., *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619, 623 (6th Cir. 2000) (“The Supreme Court has recognized that rights of publicity are generally consistent with the Copyright Act.”); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1099-1100 (9th Cir. 1992). But since *Zacchini* was decided prior to the effective date of the Copyright Act, the Court there

clearly called for where the claim is based on the unauthorized use of the copyrighted work itself.³⁴⁶ However, to the extent that plaintiffs have plausibly asserted a claim for unauthorized use of their identity or persona, which is separate from the copyrighted works in which they occasionally are embodied, the majority of these decisions have held that such claims are not preempted by the copyright laws. The outcome of some of these cases is consistent with the principles described in this Article.³⁴⁷ However, others incorrectly allow the state law claims to proceed by giving too narrow a scope to the “subject matter of copyright” or by taking too credulous a view of the proffered “extra element.”³⁴⁸

naturally had no occasion to address the preemptive scope of § 301. As discussed *infra* note 415, while Mr. Zacchini’s publicity claim probably would still survive today, a slight change in the facts of his cause of action would result in preemption.

346. See, e.g., *Stanford v. Caesars Entm’t, Inc.*, 430 F. Supp. 2d 749, 757-59 (W.D. Tenn. 2006) (preempting claims for breach of rights of privacy and publicity, based on defendant’s use of plaintiff’s photograph and voice in previously recorded print and broadcast advertisements where plaintiff’s claims were based on allegedly unauthorized reproduction or display of copyrighted advertisements); *Ahn v. Midway Mfg. Co.*, 965 F. Supp. 1134, 1138 (N.D. Ill. 1997) (preempting right of publicity claims, based on allegedly unauthorized use by a video game producer of a videotaped version of plaintiff’s performances, because videotapes resulted in fixed versions of choreographic works and infringement of plaintiff’s rights arose from the distribution and performance of those works); *McMann v. Doe*, 460 F. Supp. 2d 259, 268 (D. Mass. 2006) (preempting a claim that an unknown defendant’s posting of plaintiff’s information and photograph on a website violated his common law right of privacy, including a violation of his common law copyright in the photograph).

347. See *Landham*, 227 F.3d at 623 (finding no preemption of a claim for the unauthorized creation and distribution of toy-action figure, allegedly based on plaintiff’s role in a motion picture, where plaintiff’s claim was “that the toy evoke[d] his personal identity—an inchoate ‘idea’ which [was] not amenable to copyright protection—to his emotional and financial detriment”); *Seifer v. PHE, Inc.*, 196 F. Supp. 2d 622, 624, 628 (S.D. Ohio 2002) (concluding that an action for invasion of privacy, by the allegedly unauthorized use of plaintiff’s name and likeness in the marketing of videos, was not preempted in a case where plaintiff’s action was not one for control of right of performance of videos but for misappropriation of her persona in their marketing); *Hoffman v. Capital Cities/ABC, Inc.*, 33 F. Supp. 2d 867, 871, 875 (C.D. Cal. 1999) (finding that a celebrity’s right of publicity claim, based on the unauthorized alteration of photograph from a movie and subsequent publication in a magazine, was not preempted because the action was for the use of plaintiff’s name and likeness, which were not “works of authorship”), *rev’d on other grounds*, 255 F.3d 1180, 1189 n.4 (9th Cir. 2001); cf. *Leto v. RCA Corp.*, 341 F. Supp. 2d 1001, 1006-07 (N.D. Ill. 2004) (remanding a right of publicity claim back to state court, because the 1976 Act did not result in the “complete preemption” of state claims and because plaintiff’s *personas* were not “fixed,” and noting that their claim for unauthorized use of their *personas* did not fall within the “subject matter of copyright”).

348. See, e.g., *C.B.C. Distrib. & Mktg., Inc v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1100-03 (E.D. Mo. 2006) (concluding that a right of publicity claim was not preempted because, although baseball players’ names and playing records were arguably within the scope of copyright, they were in this context “facts,” and thus, not “copyrightable”).

h. Misappropriation

The misappropriation doctrine was endorsed by the Supreme Court nearly a century ago, in *International News Service v. Associated Press*.³⁴⁹ In this pre-*Erie*³⁵⁰ decision, the Court, applying federal common law, held that the Associated Press (AP), the leading wire service of its day, had a tort claim under this doctrine against a rival wire service.³⁵¹ The rival had taken factual stories from east coast AP newspapers and then wired the rewritten, and uncopyrightable, facts to its member newspapers on the west coast who, because of the three-hour time differential, were able to use those stories in competition with AP members.³⁵² A number of subsequent cases, primarily in New York state courts, expanded this doctrine.³⁵³

Although the original House version of the 1976 Act included certain misappropriation actions in a list of state law theories that would not be preempted,³⁵⁴ the significant majority of post-1978 decisions have properly held that § 301 significantly undermines the vitality of the misappropriation doctrine.³⁵⁵ The leading case analyzing the status of misappropriation claims is *National Basketball*

349. 248 U.S. 215 (1918).

350. *Erie R.R. Co. v. Tompkins*, 304 U.S. 64 (1938).

351. *See Int'l News Serv.*, 248 U.S. at 215, 257-61.

352. *Id.* at 230-31.

353. *See, e.g., Metro. Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483, 500 (N.Y. Sup. Ct. 1950) (enjoining defendants from recording, advertising, and distributing their recorded copies of the Opera's musical performances, which were broadcast over the air), *aff'd*, 107 N.Y.S.2d 795 (N.Y. App. Div. 1951); *see also Capitol Records, Inc. v. Erickson*, 82 Cal. Rptr. 798 (1969) (enjoining defendants from selling tape recordings of musical performances copied from plaintiff's records and tapes); *Dior v. Milton*, 155 N.Y.S.2d 443, 451 (N.Y. Sup. Ct. 1956) (applying the principle that "commercial unfairness will be restrained when it appears that there has been a misappropriation, for the commercial advantage of one person, of a benefit of property right belonging to another" when enjoining defendants from fraudulently obtaining access to a fashion designers' shows and then distributing sketches of plaintiff's fashions), *aff'd*, 156 N.Y.S.2d 996 (App. Div. 1956).

354. "[R]ights against misappropriation not equivalent to any of such rights [set forth in § 106]" were specifically listed in the House version of the bill as among the causes of action which were *not* preempted by § 301. H.R. REP. NO. 94-1476, at 24 (1976). However, those examples were deleted in the final version. *See supra* text accompanying notes 143-146.

355. A number of claims assert theories denominated as "misappropriation" of trade secrets, of the plaintiff's persona or identity, or even of the plaintiff's property. Preemption of those claims is discussed above in Parts II.A.2.f, II.A.2.g. Here attention is directed at what is sometimes referred to as "commercial misappropriation."

*Ass'n v. Motorola, Inc.*³⁵⁶ The defendants marketed and sold handheld pagers that displayed updated information on professional basketball games being played by the plaintiff's teams; this information was gathered by individuals who were paid to watch or listen to broadcasts of these games and then to furnish it to defendants.³⁵⁷ Concluding that the National Basketball Association's (NBA) misappropriation claim was preempted, the Second Circuit held that the subject matter requirement of § 301 was met as to both the broadcasts and the games,³⁵⁸ and that the plaintiff's claim also fell within the general "scope of copyright," because it lacked any of the requisite "additional elements."³⁵⁹ Although the plaintiff relied on earlier state law doctrine that branded behavior similar to the defendant's as "commercial immorality," or deemed it to be inconsistent with society's "ethics," the court of appeals stated that "[s]uch concepts are virtually synonymous for wrongful copying and are in no meaningful fashion distinguishable from infringement of a copyright."³⁶⁰ While acknowledging that a "'hot-news' *INS*-like claim" would survive § 301 preemption because it would fail the general "scope" requirement,³⁶¹ the court held that only claims that presented the additional elements from such a case³⁶²—which did not exist here—could be maintained

356. 105 F.3d 841 (2d Cir. 1997). See generally Katherine Horvath, Comment, *NBA v. Motorola, A Case for Federal Preemption of Misappropriation?*, 73 NOTRE DAME L. REV. 461 (1998).

357. *Nat'l Basketball Ass'n*, 105 F.3d at 843-44.

358. The court initially held that "it is the broadcast, not the underlying game, that is the subject of copyright protection." *Id.* at 847. But, it further held that, "where the challenged copying or misappropriation relates in part to the copyrighted broadcasts of the games, the subject matter requirement is met as to both the broadcasts and the games." *Id.* at 848. As to this prong, the court properly concluded that "Section 301 preemption bars state law misappropriation claims with respect to uncopyrightable as well as copyrightable elements." *Id.* at 849; see *infra* Part II.B (discussing extent to which "subject matter" prong may extend beyond requirements for copyright contained in §§ 102-103).

359. *Nat'l Basketball Ass'n*, 105 F.3d at 853.

360. *Id.* at 851. The court also recognized that cases like *Metropolitan Opera* "were decided at a time when simultaneously-recorded broadcasts were not protected under the Copyright Act and when the state law claims they fashioned were not subject to federal preemption." *Id.* at 852 (citing *Metro. Opera Ass'n v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483 (N.Y. Sup. Ct. 1950)).

361. *Id.* at 845, 848.

362. The court stated:

We therefore find the extra elements—those in addition to the elements of copyright infringement—that allow a "hot-news" claim to survive preemption are: (i) the time-sensitive value of factual information, (ii) the free-riding by a defendant, and (iii) the threat to the very existence of the product or service provided by the plaintiff.

Id. at 853.

after enactment of the 1976 Act.³⁶³ Permitting this state law claim would have permitted the plaintiff to control materials (facts about sporting events), which Congress had intended would be within the public domain.

Preemption under § 301 of misappropriation claims is even easier where the plaintiff merely asserts that the defendant is obtaining a financial benefit from some form of reproduction, copying, or exhibition of copyrighted materials. However, a plaintiff may attempt to bolster its claim by some additional recitation concerning the value of the property taken, the plaintiff's efforts in its creation, or the commercial harm it suffered.³⁶⁴

363. See also *Fin. Info., Inc. v. Moody's Investors Serv., Inc.*, 808 F.2d 204, 205-06, 209 (2d Cir. 1986) (finding that a claim of misappropriation, based on defendant's alleged use of plaintiff's published, uncopyrightable financial data in defendant's competing publication, was preempted because plaintiff "proved neither the quantity of copying nor the immediacy of distribution necessary to sustain a 'hot' news claim"); *Lowry's Reports, Inc. v. Legg Mason, Inc.*, 271 F. Supp. 2d 737, 755-56 (D. Md. 2003) (questioning whether "[s]ome 'hot news' claims may yet survive" after passage of the 1976 Act, but concluding that plaintiff's unfair competition claim did not fall within the exception); *Pollstar v. Gigmania Ltd.*, 170 F. Supp. 2d 974, 979-80 (E.D. Cal. 2000) (refusing to dismiss the claim because plaintiff had pled sufficient facts to bring it within the "hot news" exception); *Fred Wehrenberg Circuit of Theatres, Inc. v. Moviefone, Inc.*, 73 F. Supp. 2d 1044, 1049-50 (E.D. Mo. 1999) (concluding that, although Missouri law claim for misappropriation of "hot news" survives preemption under § 301, the plaintiff had not satisfied the necessary element to fall within the exception).

364. See *ATC Distrib. Group, Inc. v. Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700, 709, 713-14 (6th Cir. 2005) (finding that a misappropriation claim, based on unauthorized copying of a catalog, parts numbers, and illustrations, was preempted); *Stromback v. New Line Cinema*, 384 F.3d 283, 301-02 (6th Cir. 2004) (preempting a claim of commercial misappropriation regarding the unauthorized use of plaintiff's poem and screenplay in defendant's motion picture, because plaintiff's assertion that his claim was based upon "time, effort, and money . . . expended in developing the screenplay" did not constitute a substantial additional element); *Daboub v. Gibbons*, 42 F.3d 285, 287, 289 (5th Cir. 1995) (concluding that a claim for misappropriation based on the unauthorized copying of a musical work was preempted); *Hartman v. Hallmark Cards, Inc.* 833 F.2d 117, 121 (8th Cir. 1987) (holding that a misappropriation claim based on the unauthorized use of copyrighted graphics and script was preempted); *Pinnacle Pizza Co. v. Little Caesar Enters., Inc.*, 395 F. Supp. 2d 891, 902 (D.S.D. 2005) (preempting a claim for misappropriation of property interest in the plaintiff's slogan and advertising campaign); *A Slice of Pie Prods., LLC v. Wayans Bros. Entm't*, 392 F. Supp. 2d 297, 316 (D. Conn. 2005) (holding that a misappropriation claim based on an allegation that defendant used content and ideas from the plaintiff's screenplay to create a motion picture was preempted); *Am. Movie Classics Co. v. Turner Entm't Co.*, 922 F. Supp. 926, 933-34 (S.D.N.Y. 1996) (holding that a claim that rival television networks misappropriated plaintiff's exclusive rights to exhibit copyrighted films was preempted, despite the assertion that defendants allegedly engaged in "passing off" by falsely representing the origin of the films as coming from plaintiff and noting that, if anything, defendants engaged in "reverse passing off" by representing that the defendants owned the right to exhibit films, which was equivalent to a claim for copyright infringement); *Nash v. CBS, Inc.*, 704 F. Supp. 823, 834-35 (N.D. Ill. 1989) (dismissing a misappropriation claim based on the use of facts and ideas from plaintiff's books, and stating that allegations of misrepresentation and deception only

On the other hand, misappropriation claims for which state law, in fact, also requires proof of such elements as fraud or breach of fiduciary duty should not be preempted.³⁶⁵ Similarly, preemption is

"accentuated" the claim and were not essential additional elements), *aff'd*, 899 F.2d 1537 (7th Cir. 1990); *Patsy Aiken Designs, Inc. v. Baby Togs, Inc.*, 701 F. Supp. 108, 111-12 (E.D.N.C. 1988) (dismissing misappropriation and unfair competition claims premised solely on the unauthorized copying of copyrighted designs for clothing); *Selmon v. Hasbro Bradley, Inc.*, 669 F. Supp. 1267, 1273 (S.D.N.Y. 1987) (concluding that an unjust enrichment claim, which "derive[d] from the misappropriation of material covered by copyright protection," was preempted); *Kisch v. Ammirati & Puris Inc.*, 657 F. Supp. 380, 385 (S.D.N.Y. 1987) (dismissing a misappropriation claim based on alleged similarity between plaintiff's copyrighted photograph and defendant's photograph); *Mayer v. Josiah Wedgwood & Sons, Ltd.*, 601 F. Supp. 1523, 1535-36 (S.D.N.Y. 1985) (concluding that a misappropriation claim based on the reproduction of plaintiff's design of snowflake was preempted); *P.I.T.S. Films v. Laconis*, 588 F. Supp. 1383, 1384-85 (E.D. Mich. 1984) (dismissing claims for unjust enrichment and quantum meruit grounded on a theory of defendant's misappropriation of slogans and characters of a copyrightable nature); *Schuchart & Assocs. v. Solo Serve Corp.*, 540 F. Supp. 928, 943-45 (W.D. Tex. 1982) (concluding that an unfair competition action based on the copying and distribution of plaintiff's architectural drawings was preempted, since the claim involved the same elements as copyright infringement even though misappropriation also included "elements of Defendants' use of Plaintiffs' product in competition with Plaintiffs to the commercial damage of Plaintiffs"); *see also* *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1441-42 (9th Cir. 1993) (finding preemption of an unfair competition claim, which was premised on defendant's misappropriation of the fruits of plaintiff's labor in the design of industrial lathes "by employing a particularly unfair method of copying," since plaintiff "ha[d] not identified any other extra element that would provide it with relief"); *cf.* *Leto v. RCA Corp.*, 341 F. Supp. 2d 1001, 1005 (N.D. Ill. 2004) (remanding a misappropriation claim, which had been removed from state court, because the Act did not result in the "complete preemption" of the state claim); *Sargent v. Am. Greetings Corp.*, 588 F. Supp. 912, 923-24 (N.D. Ohio 1984) (concluding that claims for breach of confidential relationship and misappropriation, based on the copying of copyrighted pictorial works, was not preempted because the claim "involves elements that distinguish it from [plaintiff's] claim for copyright infringement," without any identification of those elements).

365. The often difficult balance required in undertaking preemption analysis of misappropriation claims is illustrated by *Aagard v. Palomar Builders, Inc.*, 344 F. Supp. 2d 1211 (E.D. Cal. 2004). Palomar, a designer and builder of residential homes, alleged that the defendant had redrawn the plaintiff's copyrighted architectural plans and, after relabeling them with her name, had sold them to her own customers. *Id.* at 1213-14. The plaintiff, asserting that these plans were created at substantial time and cost, and that the defendant's use of the plans was done without plaintiff's authorization and at little cost to her, brought claims, *inter alia*, for misappropriation and unfair business practices. *Id.* at 1215-16. The "extra element" relied on by plaintiff was the goodwill and reputation garnered by its plans. *Id.* at 1216. The district court held that to the extent that the plaintiff was asserting a claim for "reverse palming off," i.e., that the defendant took the plaintiff's product, removed plaintiff's name, and then sold that product under her own name, the state action would be preempted unless it alleged the additional elements of bodily appropriation of the product and sought more than merely monetary damages. *See id.* at 1217. Otherwise, the plaintiff would be seeking relief merely for the unauthorized reproduction of, and profit from, the plans. *Id.* at 1218. However, the court also concluded that a misappropriation claim resembling "traditional palming off," i.e., the defendant's marketing of her plans under her name, but in such a way as to suggest sponsorship by the

not appropriate where the defendant's conduct infringes on rights that are not within the traditional scope of copyright, such as misrepresentations about the qualities or nature (as opposed to the source) of the plaintiff's work.³⁶⁶ Although the subject matter of these claims may include copyrightable materials, these claims actually resonate with concerns more closely implicated by the federal trademark statute—the Lanham Act—than by the copyright laws.

i. Other Theories

Preemption issues have also arisen in actions alleging a variety of other theories. Two of the most important are tortious interference with a contractual relationship and conversion. The majority of cases have concluded that claims asserting tortious interference with a contract, which involve rights to copyrightable materials, essentially duplicate actions under the Copyright Act and therefore, are preempted.³⁶⁷ However, a handful of decisions have identified

plaintiff, or labeled so that her customers believed they were getting the plaintiff's product, would *not* be preempted. *Id.* at 1217; *see also* Demetriades v. Kaufmann, 698 F. Supp. 521, 525-28 (S.D.N.Y. 1988) (dismissing a misappropriation claim based on the unauthorized copying of plaintiff's architectural plans and subsequent building of a home, but sustaining a claim under the "commercial immorality" prong of misappropriation doctrine, based on photographing and then copying the apparently uncopyrightable interior features of home).

366. *See, e.g.,* Rand McNally & Co. v. Fleet Mgmt. Sys., Inc. 591 F. Supp. 726, 731 (N.D. Ill. 1983) (concluding that a misappropriation claim based on the copying of a compilation of data was preempted since "commercial immorality" was not an extra element, but finding that a similar claim based on the *use* of data was not preempted since that was not within the scope of rights conferred by copyright, and that the claim based on copying of procedures and processes for calculating data was also not preempted since they were outside of subject matter of copyright); *cf.* Facebook, Inc. v. ConnectU LLC, 489 F. Supp. 2d 1087, 1093 (N.D. Cal. 2007) (concluding that a common law misappropriation claim, based on the unauthorized copying of data from plaintiff's website, was not preempted because plaintiff was not "seeking to protect . . . uncopyrightable *elements* of some larger work of authorship that is protectible [sic] only to the extent provided by the Copyright Act").

367. *See, e.g.,* Stromback, 384 F.3d at 306-07 (preempting a claim for tortious interference with prospective economic advantage based on the alleged unauthorized copying, display, and distribution of plaintiff's poem and screenplay because the allegation that defendant's conduct harmed the development of plaintiff's professional reputation was not a substantial extra element); Harper & Row Publishers, Inc. v. Nation Enters., 723 F.2d 195, 201 (2d Cir. 1983) (holding that a claim for tortious interference with contractual relations, based on a magazine publisher's use of an unauthorized excerpt of plaintiff's book, was preempted on the grounds that the claim was essentially one for violation of plaintiff's exclusive right to create a derivative work, and additional elements pleaded by the plaintiff of awareness and intentional interference went "merely to the scope of the right" and did not "establish qualitatively different conduct"), *rev'd on other grounds*, 471 U.S. 539 (1985); Pavlica v. Behr, 397 F. Supp. 2d 519, 530 (S.D.N.Y. 2005) (finding that a tortious interference claim by the author of copyrighted materials for their unauthorized reproduction and use was preempted); Aagard, 344 F. Supp. 2d at 1219 (finding that a

elements in tortious interference actions that are not a part of a claim for copyright infringement, and thus, have concluded that those state law actions may proceed.³⁶⁸

Since copyright protection does not extend to *copies* of a work, actions for conversion of the physical object in which the work is embodied are not preempted.³⁶⁹ By contrast, almost all courts have properly recognized that a claim for the “conversion” of the work itself is nothing more than a claim for its unauthorized duplication, distribution, alteration, or performance. Since such “wrongs” are the essence of a copyright infringement, they are properly preempted by § 301.³⁷⁰

claim for intentional interference with prospective economic advantage, premised on defendant’s diversion of business from plaintiff by the sale of plaintiff’s copyrighted architectural plans, was preempted because “federal copyright laws already protect the exclusive right of distribution”); *Huckshold v. HSSL, L.L.C.*, 344 F. Supp. 2d 1203, 1208-09 (E.D. Mo. 2004) (preempting a tortious interference claim where one defendant caused a co-defendant to breach its contractual promise not to copy plaintiff’s copyrighted software on the grounds that neither defendants’ alleged knowledge or awareness of the contract, nor its intent to interfere with that contract, were substantial extra elements); *Tingley Sys., Inc. v. CSC Consulting, Inc.*, 152 F. Supp. 2d 95, 110-11 (D. Mass. 2001) (finding that an action for intentional interference with a contract was preempted, since the claim merely added the element of awareness by defendant).

368. See *Altera Corp. v. Clear Logic, Inc.*, 424 F.3d 1079, 1089-90 (9th Cir. 2005) (finding that a claim for tortious interference with contract, where the underlying contracts placed restrictions on plaintiff’s customers’ software use rather than just restricting their right to reproduce copyrighted software, was not preempted, because the claim concerning breach of those contracts against customers would have required proof of a meaningful “extra element”); *Telecom Technical Servs. Inc. v. Rolm Co.*, 388 F.3d 820, 833 (11th Cir. 2004) (concluding that a tortious interference claim was not preempted because it required plaintiff to demonstrate that defendants “violated the terms of [plaintiff’s] software license for third parties, which is an element beyond federal copyright law”).

369. See *supra* note 153 and accompanying text.

370. See *Daboub v. Gibbons*, 42 F.3d 285, 288-90 (5th Cir. 1995) (finding that claims for conversion, misappropriation, plagiarism, disparagement, and defamation, all based on the unauthorized copying of a musical work, were preempted); *Harper & Row*, 723 F.2d at 200-01 (preempting a claim for conversion based on a magazine publisher’s use of an unauthorized excerpt of plaintiff’s book after obtaining purloined copy, because the claim was essentially one for violation of plaintiff’s exclusive right to reproduce and/or create derivative work); *Goldberg v. Cameron*, 482 F. Supp. 2d 1136, 1151 (N.D. Cal. 2007) (holding that claims for conversion and unfair competition, based on the unauthorized use of a movie script and soundtrack, were preempted); *Pinnacle Pizza Co. v. Little Caesar Enters., Inc.*, 395 F. Supp. 2d 891, 902-03 (D.S.D. 2005) (preempting a claim for conversion of plaintiff’s property rights in its slogan and advertising campaign); *Microstrategy, Inc. v. Netsolve, Inc.*, 368 F. Supp. 2d 533, 534, 536-37 (E.D. Va. 2005) (finding that a claim for excessive use of licensed computer software was preempted, since it only alleged the unauthorized reproduction and retention of the software); *Madison River Mgmt. Co. v. Bus. Mgmt. Software Corp.*, 351 F. Supp. 2d 436, 444-45 (M.D.N.C. 2005) (preempting a conversion claim based on the alleged excessive connections to copyrighted software and on allowing employees to use that software); *DirecTV, Inc. v. Beecher*, 296 F. Supp. 2d 937, 944 (S.D. Ind. 2003) (holding that a conversion claim for the unauthorized interception of

State claims have also been preempted in a number of less commonly asserted causes of action. For example, in *Rosciszewski v. Arete Associates, Inc.*,³⁷¹ the Fourth Circuit held that the Virginia Computer Crimes Act,³⁷² which created a private, civil claim for unauthorized copying of computer programs, was preempted, since the various elements of the Act³⁷³ did not make the action qualitatively different from one under the 1976 Act for unauthorized copying.³⁷⁴ Another court found preemption of a claim for recovery of stolen property under a statute permitting private relief for criminal theft, again based on the defendant's unauthorized use of copyrighted software; the required addition of an allegation of specific intent was not an essentially different element from a copyright infringement claim.³⁷⁵ In addition, several courts have dismissed claims for

television signals containing copyrighted audiovisual works was preempted); *Zito v. Steeplechase Films, Inc.*, 267 F. Supp. 2d 1022, 1027 (N.D. Cal. 2003) (holding that an action for conversion, based on the unauthorized publication of photograph, merely restated a claim for copyright infringement, even if the conversion required proof of intent); *Kindergartners Count, Inc. v. DeMoulin*, 171 F. Supp. 2d 1183, 1192-93 (D. Kan. 2001) (finding that a conversion claim seeking recovery of profits earned by defendant from the unauthorized reproduction and distribution of plaintiff's intellectual property was preempted); *Henry v. Nat'l Geographic Soc'y*, 147 F. Supp. 2d 16, 21 (D. Mass. 2001) (holding that a conversion action based on the unauthorized reproduction of plaintiff's photographs was preempted); *Quincy Cablesystems, Inc. v. Sully's Bar, Inc.*, 650 F. Supp. 838, 849-50 (D. Mass. 1986) (finding preemption of a conversion based on the unauthorized reception of a cable television operator's signals and the presentation of programming to patrons of defendant's bar); *Mayer v. Josiah Wedgwood & Sons, Ltd.*, 601 F. Supp. 1523, 1535 (S.D.N.Y. 1985) (holding that a claim for conversion of a copyrightable snowflake design was preempted); *Melchior v. New Line Prods., Inc.*, 131 Cal. Rptr. 2d 347, 355-57 (Cal. Ct. App. 2003) (holding that a claim for conversion, based on defendant's failure to make royalty payments called for by written agreement to the owner of the copyright in a motion picture, was preempted); *see also Briarpatch Ltd. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 307-09 (2d Cir. 2004) (holding that further factual development was needed to determine whether claim for conversion was preempted). *But cf. Lone Ranger Television, Inc. v. Program Radio Corp.*, 740 F.2d 718, 726 (9th Cir. 1984) (concluding that "protection against conversion of an intangible property right in the performances embodied in [plaintiff's] tapes is unaffected by notions of copyright," without discussing preemption or § 301).

371. 1 F.3d 225 (4th Cir. 1993).

372. VA.CODE ANN. §§ 18.2-152.1 to .15 (2004 & Supp. 2007).

373. The Act required, for example, that the defendant use a computer in the course of the violation, that the use be "without authority," and that the defendant have a specified unlawful awareness or intent. *See id.* § 18.2-152.3.

374. *Rosciszewski*, 1 F.3d at 230; *see also SecureInfo Corp. v. Telos Corp.*, 387 F. Supp. 2d 593, 618-19 (E.D. Va. 2005) (finding that a claim under the Virginia Act, alleging that defendant accessed software without permission and downloaded it to compete with plaintiff, was preempted on the grounds that the action did not contain substantial additional elements from the claim for unauthorized copying).

375. *See Madison River Mgmt. Co.*, 351 F. Supp. 2d at 445-46; *cf. Advance Magazine Publishers Inc. v. Leach*, 466 F. Supp. 2d 628, 635 (D. Md. 2006) (holding that the proffered

“conspiracy” to infringe the copyright laws.³⁷⁶ On the other hand, § 301 has properly been held not to preempt actions under state trademark laws³⁷⁷ or for indemnification for breach of contractual representations regarding rights in copyrighted materials.³⁷⁸

j. Criminal Prosecutions

Although the overwhelming majority of preemption cases involve potential displacement of civil claims, a handful of courts have properly recognized that § 301 might also require preemption of a state criminal prosecution. Thus, the Eleventh Circuit held that the 1976 Act preempted a state statute that criminalized a form of theft—the unauthorized creation and sale of “bootleg” sound recordings of musical works—because the elements of the crime were “almost exactly . . . those of the tort of copyright infringement,” i.e., the unauthorized reproduction and distribution of a copyrighted work.³⁷⁹ In another case, the Ohio Supreme Court held that prosecution of state charges for the crime of “unauthorized use,” based upon the

defense, that plaintiff was divested of its interests in its copyright by adverse possession, would affect the rights afforded by § 106, and thus, was preempted).

376. See, e.g., *Irwin v. ZDF Enters. GMBH*, No. 04 CIV. 8027 (RWS), 2006 WL 374960, at *4 (S.D.N.Y. Feb. 16, 2006) (concluding that a claim for tortious conspiracy to violate copyright laws was preempted, since it duplicated concepts of contributory infringement and vicarious copyright infringement); *Brown v. McCormick*, 23 F. Supp. 2d 594, 608 (D. Md. 1998) (holding that a claim of conspiracy to commit copyright infringement that merely added element of “agreement” was preempted).

377. See *Polar Bear Prods., Inc. v. Timex Corp.*, 384 F.3d 700, 721 (9th Cir. 2004); *Tracy v. Skate Key, Inc.*, 697 F. Supp. 748, 750-51 (S.D.N.Y. 1988); see also *U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F. Supp. 2d 158, 174, 174 n.10 (S.D.N.Y. 2001) (declining to find preemption of trade dress infringement claim, based on defendant’s alleged copying of design elements of plaintiff’s clothing); *Warner Bros., Inc. v. Am. Broad. Cos.*, 720 F.2d 231, 247-48 (2d Cir. 1983) (concluding that claims based on “passing off” under the state anti-dilution statute, causing the impairment of the value of plaintiff’s trademark, were not preempted). It is clear that § 301 also does not preempt federal trademark law, including infringement claims under the Lanham Act. See *supra* note 31.

378. See *Pure Country Weavers, Inc. v. Bristar, Inc.*, 410 F. Supp. 2d 439, 448-50 (W.D.N.C. 2006) (refusing to preempt claims under a state statute governing warranties of title and against infringement in an action for indemnification by a co-defendant against a defendant which sold it articles that allegedly infringed on plaintiff’s copyright, on the grounds that the indemnification action required proof of additional elements, including a “promise by the seller to the buyer that title conveyed is good,” and “delivery of goods to which title was in fact flawed”).

379. *Crow v. Wainwright*, 720 F.2d 1224, 1226-27 (11th Cir. 1983). The court of appeals held that the additional element in the state criminal statute—the presence of a scienter requirement—“[did] not render the elements of the crime different in a meaningful way,” noting that the criminal provision of the Copyright Act, 17 U.S.C. § 506 (2000), also requires proof of scienter. *Id.* at 1226; cf. *infra* notes 446-454 and accompanying text (discussing state and federal statutes prohibiting creation and sale of unauthorized copies of *unfixed* musical works).

defendant's unauthorized uploading, downloading, and posting of computer software on a computer bulletin board, was preempted by the federal copyright laws.³⁸⁰

On the other hand, several courts have rejected preemption challenges to state statutes criminalizing the sale of audiotapes, videocassettes, or CDs with packaging or labeling that fails to describe accurately certain information about the producers or performers.³⁸¹ Although these provisions were parts of statutes that were enacted to prevent unauthorized copying and sales of motion pictures or sound recordings, the courts dismissed preemption challenges on the somewhat dubious ground that the defendants' failure to disclose, which resulted in the possible deception of consumers, constituted a meaningful additional element.³⁸² Another case upheld theft charges against a defendant who purchased several computer programs, made copies of both the software and the instruction manuals, and then immediately returned the programs for a refund, finding an "extra element" because "the State [was] prosecuting the *manner in which* defendant obtained the computer materials rather than the fact he

380. See *State v. Perry*, 697 N.E.2d 624, 627-29 (Ohio 1998). As in *Crow*, the challenged conduct involved the unauthorized copying and distribution of copyrighted materials; here too, the facts necessary to support the state charge did not require proof of any significant extra elements. See *id.* at 628.

381. See *Hicks v. State*, 674 A.2d 55, 61-62 (Md. Ct. Spec. App. 1996); *State v. Awawdeh*, 864 P.2d 965, 968 (Wash. Ct. App. 1994); see also *Briggs v. State*, 638 S.E.2d 292, 293, 295 (Ga. 2006) (holding that a statute that criminalized the "possession and distribution of sounds or images without a label bearing the name and address of the transferor of those sounds or images" was not preempted, because the statute "contain[ed] an extra element—i.e., labeling—which qualitatively distinguish[ed] it from federal copyright law"); *People v. Borriello*, 588 N.Y.S.2d 991, 994-97 (N.Y. Sup. Ct. 1992) (hold that prosecution under a statute prohibiting the "advertisement or sale of unauthorized [sound] recordings" was preempted, but that prosecutions under statutes penalizing "failure to disclose the origin of a recording" and "possession of forged [record labels]" were *not* preempted); *People v. M & R Records, Inc.*, 432 N.Y.S.2d 846, 849-50 (N.Y. Sup. Ct. 1980) (holding that prosecutions under a statute prohibiting "manufacture of unauthorized recording of sound," "advertisement and sale of unauthorized recording of sound," and "failure to disclose origin of recording of sound" were not preempted).

382. For example, the *Borriello* court observed that:

This statute does not require the defendant to infringe the rights of the copyright owner. This statute can be violated even if the transferor has permission and authority to sell the recording from the copyright owner if the labels or packages are deceptive. The required element is that the cover, box or jacket does not clearly and conspicuously disclose manufacturer information. This is an "extra element" that makes the statute "qualitatively" different from a copyright infringement claim.

588 N.Y.S.2d at 996. The court also observed that "the right protected in a copyright infringement claim is the owners [sic] property rights in his intellectual endeavors, while [the state statute] is aimed at protecting the rights of consumers." *Id.* This observation is at best besides the point, since the allegedly different *purposes* of the state statute and the Copyright Act are *irrelevant* in performing the "equivalence" analysis of § 301.

copied them.”³⁸³ And, in yet another case, a court rejected the defendant’s preemption challenge to his conviction for the production and sale of a medallion incorporating the seal of the State of Alaska under a statute criminalizing the unauthorized use of the seal for advertising or commercial purposes;³⁸⁴ instead, the court concluded that the seal was not within the subject matter of copyright.³⁸⁵

Admittedly, the possible preemption of criminal prosecutions presents some conceptual difficulties in the application of the “equivalent to any of the exclusive rights within the general scope of copyright” prong of § 301. Although the defendant’s conduct giving rise to criminal liability may be the same as conduct that would have given rise to a private cause of action for copyright infringement, the nature of the rights and interest of those two systems are

383. *State v. Smith*, 798 P.2d 1146, 1147, 1149 (Wash. 1990); *see also* *Commonwealth v. Yourawski*, 425 N.E.2d 298, 299 (Mass. 1981) (declining to decide whether a prosecution for larceny, based on the unauthorized receipt of intellectual property embodied in stolen video cassette tapes, was preempted by the supremacy clause, because “intellectual property which appear[ed] on the cassette tapes [was] not ‘property’ within the definition of property in [the statute]”); *State v. Corcoran*, 522 N.W.2d 226, 228, 231 (Wis. Ct. App. 1994) (declining to decide whether 1976 Act preempted the enforcement of a statute criminalizing defendant’s destruction of computer data by the insertion of “booby traps” into a former employer’s software, because defendant “was properly convicted of destroying facts that cannot be protected by copyright”); *cf.* *State v. Nelson*, 842 A.2d 83, 84 (N.H. 2004) (affirming defendant’s conviction for theft and receipt of stolen property, based on the temporary, surreptitious taking of photographs, scanning them into his computer, and then returning photographs to lawful owners, without discussing whether the statute was preempted by Copyright Act).

384. *Robart v. State*, 82 P.3d 787, 789-90 (Alaska Ct. App. 2004).

385. *See id.* at 791. The court’s reasoning for this conclusion was at best unfocused. It asserted that “it is clear that states have the power to protect symbols of their sovereignty.” *Id.* It also asserted that “federal copyright law is silent on [the] issue [of congressional intent to supersede state laws]—state seals are not mentioned at all,” *id.* at 792, without even pausing to note that biographies and horror movies are also “not mentioned at all.” Finally, although the court acknowledged that “trademark and copyright law can overlap,” it asserted that “state seals appear to be more akin to trademarks or service marks than they are to the type of work Congress intended copyrights to cover.” *Id.* Despite these rationalizations, it seems obvious that a state seal is a “pictorial work” within the scope of § 102(a)(5), and that the defendant’s conduct entailed the authorized reproduction and distribution of that work. Because the nature of the work being copied does not constitute an extra element for purposes of § 301, the criminal proceedings should have been preempted.

In contrast, in *Bicentennial Commission v. Olde Bradford Co.*, a civil action by a state agency seeking injunctive relief under a statute prohibiting the unauthorized reproduction and use of the Commission’s seal, the court—in a pre-1976 Act decision—held that the state law was preempted because “the dominant intent of the [state] Act is to prohibit, as does federal copyright law, the mere unauthorized production of the Commission’s marks.” 365 A.2d 172, 177 (Pa. Comm. Ct. 1976).

dissimilar.³⁸⁶ Furthermore, since the “plaintiff” here—the state—is not the copyright owner (or its licensee), it could not have asserted a civil claim for this conduct. Moreover, the relief sought by the state—fines and/or imprisonment—is significantly different from the relief available in an infringement action.

Nonetheless, because the federal regime already provides for both civil and criminal relief against copyright infringers,³⁸⁷ and because allowing state prosecutions against these kinds of behavior could result in either inconsistent or duplicative actions, in particular, in punishing conduct that is not reached by the criminal provisions of the 1976 Act, the goals which animated the inclusion of § 301 in the 1976 Act counsel strongly in favor of a broader interpretation of the preemption provision. However, if that result is deemed inconsistent with the statutory language, conflict preemption, which is discussed below,³⁸⁸ is another sound basis for displacing many state criminal prosecutions for conduct that is already covered by the federal Copyright Act.

B. Second Prong of Section 301(a)

Section 301(a) only preempts a state law claim if the intellectual property for which protection is sought is a work of authorship that is (1) “within the subject matter of copyright as specified by sections 102 and 103” and if it is (2) “fixed in a tangible medium of expression.”³⁸⁹ As noted above,³⁹⁰ the reciprocal of this provision—reiterating that works not meeting these two requirements are not preempted—is found in § 301(b)(1).

Section 102 specifies the general “[s]ubject matter of copyright.” Copyright is stated to subsist in “*original* works of *authorship* fixed in any tangible medium of expression.”³⁹¹ In addition to the three requirements of originality, authorship, and fixation specified in the Copyright Act, case law makes clear that there is another requirement for obtaining copyright: there must be some

386. See *Dowling v. United States*, 473 U.S. 207, 217 (1985) (“[I]nterference with copyright does not easily equate with theft, conversion, or fraud . . . [I]nfringement plainly implicates a more complex set of property interests than does run-of-the-mill theft, conversion, or fraud.”).

387. See 17 U.S.C. §§ 501-505 (2000) (civil remedies for copyright infringement); 17 U.S.C.A. § 506 (West 2005) (criminal copyright offenses).

388. See *infra* Part III.

389. 17 U.S.C. § 301(a) (2000).

390. See *supra* text accompanying note 52.

391. 17 U.S.C. § 102(a) (emphasis added).

minimal degree of creativity in the work.³⁹² Section 102 also states a fundamental rule of copyright: protection is available only for the “*expression of an idea*,”³⁹³ and copyright does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery.”³⁹⁴

The two conditions for statutory preemption set forth in this second prong³⁹⁵ have received significantly different treatment both in the statute and from the courts. As noted above, under the first prong, preemption will occur if the would-be state right is roughly “equivalent to” a right falling within the “general scope of copyright,” even if federal law does not, in fact, afford protection against the defendant’s conduct.³⁹⁶ As will be seen, for purposes of this second prong of § 301, the “[s]ubject matter of copyright” is, analogously, also broader than the actual scope of copyrightable works. However, under the other requirement found in this second prong—the fixation requirement—state law is clearly permitted to extend protection to certain unfixed works that, while arguably potentially copyrightable under Article I, Section 8, fall outside of the parameters of works encompassed within the category of statutorily copyrightable works. The result is that § 301 clearly does not preempt *all* works for which the Constitution arguably might allow protection, but rather, under this second prong, only preempts a somewhat smaller class of works for which protection has, in fact, been afforded by the federal statute.

1. Plaintiff’s Work is Within “Subject Matter of Copyright”

Statutory preemption extends only to works of authorship that are within the “subject matter of copyright.” In determining the proper “subject matter of copyright,” authorship, originality, and creativity are viewed as constitutional imperatives.³⁹⁷ For example,

392. See *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). In fact, as noted by the Supreme Court in *Feist*, both originality and creativity are constitutionally mandated. The Court explained that “originality requires independent creation plus a modicum of creativity.” *Id.* at 346. After noting that “originality is a constitutionally mandated prerequisite for copyright protection,” *id.* at 351, the Court then indicated that “[t]he standard of originality is low, but it does exist.” *Id.* at 362. As the Court has explained, “the Constitution mandates some minimal degree of creativity.” *Id.* (citation omitted).

393. *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1368 (5th Cir. 1981) (emphasis added).

394. 17 U.S.C. § 102(b); see also *Miller*, 650 F.2d at 1368 (denying copyright protection to facts gathered through research).

395. See *supra* Part II.B.

396. See *supra* text accompanying notes 391-392.

397. See *supra* text accompanying notes 391-392.

Congress could not afford protection under the copyright statutes to someone who discovered the creative work of another. Only the actual *author* of the work—the person who “originated” the work—is entitled to the copyright.³⁹⁸ That principle is embodied in § 102(a), which extends copyright protection to “*original* works of *authorship*.”³⁹⁹ Similarly, some minimum level of creativity is required to obtain a copyright; as the Supreme Court indicated in a unanimous decision, the alphabetical listings in the white pages of a telephone directory are so obvious, and so uncreative, that they simply do not qualify for copyright protection.⁴⁰⁰ Works that do not meet these originality and creativity requirements are therefore outside the scope of both the constitutional and statutory “subject matter” of copyright.⁴⁰¹ It would not have been illogical to have allowed the states to afford protection for such inherently uncopyrightable “works.” However, the legislative history of § 301 makes clear Congress’s intent to preempt such claims,⁴⁰² and case law generally supports that result.

In reaching this conclusion, most courts interpreting this second prong of § 301 have taken the same expansive approach to “subject matter of copyright” as they give to “scope of copyright protection” under the “equivalency” approach used for the first prong.⁴⁰³ The accepted rule is that to the extent that the material or “work” for which state law protection is sought is broadly within the range of copyrightable expression, the claim will be subject to statutory preemption. This reflects a principle enunciated by a number of courts: even if federal *protection* for a work is unavailable,

398. “To qualify for copyright protection, a work must be original to the author. Original . . . means only that the work was independently created by the author.” *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) (citation omitted). “[F]acts do not owe their origin to an act of authorship. The distinction is one between creation and discovery.” *Id.* at 347; *see also* *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989) (“As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection.”).

399. 17 U.S.C. § 102(a) (emphasis added).

400. *Feist*, 499 U.S. at 363.

401. *See C.B.C. Dist. & Mktg., Inc v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1101-03 (E.D. Mo. 2006) (concluding that a right of publicity claim was not preempted because, although baseball players’ names and playing records were arguably within scope of copyright, they lacked originality and were thus not “copyrightable”).

402. “As long as a work fits within one of the general subject matter categories of sections 102 and 103, the bill prevents the States from protecting it even if it fails to achieve Federal statutory copyright because it is too minimal or lacking in originality to qualify” H.R. REP. NO. 94-1476, at 131 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5747.

403. *See generally* Part II.A.2.

the work *may* nonetheless fall within the broader "subject matter of copyright."⁴⁰⁴

A Sixth Circuit case, *Murray Hill Publications, Inc. v. ABC Communications, Inc.*,⁴⁰⁵ illustrates the application of this principle to works that were insufficiently creative to merit copyright protection. The plaintiff complained that the defendant radio station had, without his permission, used a six-word tagline (the Line) and a certain lettering style (the Artwork), both of which had been created or designed by the plaintiff, in a billboard to promote the defendant's radio show.⁴⁰⁶ Holding that the plaintiff's various state law claims⁴⁰⁷ were preempted, the court of appeals conceded that the brief Line and the particular Artwork in question were not amenable to copyright protection; they lacked the requisite "creativity" to bring them within § 102(a).⁴⁰⁸ Nonetheless, the court properly concluded that these "works" still constituted "expressions of ideas," albeit unprotectable ones, which were within the "subject matter of copyright," and thus, they were subject to preemption.⁴⁰⁹

*Baltimore Orioles, Inc. v. Major League Baseball Players Ass'n*⁴¹⁰ is an earlier case that also took this broader approach. As noted above,⁴¹¹ the Players Association had asserted that the agreements between Major League Baseball and television broadcasters, providing for the telecast of the players' "performances" during baseball games, without their permission, constituted a violation of their right of publicity. In holding that these claims were preempted, the Seventh Circuit initially concluded that although "performances" admittedly were *not* copyrightable works, they nonetheless were within the "subject matter of copyright." The players had argued that this prong of § 301 was not satisfied because their "performances" were neither "works" which were "fixed" nor sufficiently "creative" for copyright protection.⁴¹² Rejecting the first argument, the court held that the "performances" for which relief was sought were fixed by virtue of being embodied in copies, i.e., the

404. See, e.g., *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 455 (6th Cir. 2001) ("[T]he scope of the Copyright Act's subject matter is broader than the scope of the Act's protections.").

405. 264 F.3d 622 (6th Cir. 2001).

406. See *id.* at 627-29.

407. The plaintiff asserted claims for conversion, unjust enrichment, and quantum meruit. *Id.* at 629.

408. *Id.* at 633-34.

409. See *id.* at 635-36.

410. 805 F.2d 663 (7th Cir. 1986).

411. This decision is discussed *supra* text accompanying notes 298-306.

412. See *Baltimore Orioles*, 805 F.2d at 674-75.

videotapes of the telecasts,⁴¹³ and they were “works,”⁴¹⁴ concluding that “once a performance is reduced to tangible form, there is no distinction between the performance and the recording of the performance for the purpose of preemption under § 301(a).”⁴¹⁵ Moreover, even if the “performances” were uncopyrightable because they lacked the requisite creativity, it was sufficient that the works in which they were embodied were creative enough to obtain copyright protection.⁴¹⁶ Indeed, because the scope of preemption under § 301(a) extends beyond works entitled to copyright protection, creativity of the “work” was not essential for preemption.⁴¹⁷

Although the court’s analysis has been criticized,⁴¹⁸ its conclusion is correct. Not only did the defendant own the copyright to the broadcasts, but the players, through their association, had agreed to that arrangement. Thus, the court recognized that the plaintiffs

413. *Id.* at 675. Although it might have been true that not every major league game was being telecast, or that some might have been telecast without having been recorded—in which case they would not have been “fixed”—here the plaintiffs were asserting publicity rights in their performances only for those games which *were* telecast and recorded. *See id.* at 665.

414. “The work that is the subject of copyright is not merely the Players’ performances, but rather the *telecast* of the Players’ performances.” *Id.* at 669 n.7.

415. *Id.* at 675. In *Zacchini v. Scripps-Howard Broadcasting Co.*, the Supreme Court upheld a state right of publicity claim. 433 U.S. 562 (1977). The plaintiff, a performer whose act was as a “human cannonball,” sued a television station for broadcasting his entire performance without his permission. *Id.* at 563-64. Because the case was decided before the effective date of the 1976 Act, statutory preemption was not at issue. But, as the Seventh Circuit noted in *Baltimore Orioles*, this case would have been decided the same way under § 301; although the “performance” may have been a “work,” it was not “fixed” within the meaning of § 101, since its reduction to a tangible form was not done with the authority of its author (Zacchini). *See* 805 F.2d at 675 n.22. By contrast, the *Baltimore Orioles* court asserted that if Zacchini had himself authorized the videotaping of his act, and if the television station had made an unauthorized broadcast of that tape, the right of publicity claim *would* have been preempted; in that case, the station’s conduct would have given rise to an action for copyright infringement, and the same evidence would also have been used as the basis for that hypothetical claim. *See id.*

416. *See id.* at 676 (“Regardless of the creativity of the Players’ performances, the works in which they assert rights are copyrightable works which come within the scope of § 301(a) because of the creative contributions of the individuals responsible for recording the Players’ performances.”).

417. *See id.* (“Hence, § 301(a) preempts all equivalent state-law rights claimed in any work within the subject matter of copyright whether or not the work embodies any creativity.”).

418. In *Toney v. L’Oreal USA, Inc.*, 406 F.3d 905 (7th Cir. 2005), the Seventh Circuit noted that *Baltimore Orioles* “has been widely criticized by our sister circuits and by several commentators,” *id.* at 910, but defended its result as “essential in order to preserve the extent of the public domain established by copyright law.” *Id.* at 911; *see also* *Brown v. Ames*, 201 F.3d 654, 659 (5th Cir. 2000) (describing *Baltimore Orioles* as a “controversial decision” which “has been heavily criticized,” and citing to several such criticizing sources).

were seeking to obtain through tort law the ownership interests which they had failed to obtain through their contract negotiations.⁴¹⁹ A contrary result, allowing such a state law action, would clearly have undermined the federal interest in having copyright law be the exclusive basis for resolving those competing claims.

Greater difficulties are presented in applying the limitation found in § 102(b)—that copyright protection does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery”⁴²⁰—to this “subject matter of copyright” requirement. At one level, this provision would suggest that protection for ideas, processes, discoveries, and so on, is not within the subject matter of copyright, and thus, is not preempted by § 301. Therefore, protection would be available, if at all, under alternate regimes—whether the federal patent (or trademark) laws, or under state law.⁴²¹ Nonetheless, courts have used a similar expansive approach to define the “subject matter of copyright,” when considering works excluded from protection by the limitations in § 102(b). Here too, the test focuses not on the narrower *actuality* of copyright protection, but the broader *potential* of the scope of its subject matter.

For example, in one Fourth Circuit case,⁴²² the plaintiff brought a claim under a state conversion statute,⁴²³ alleging that the defendant, her Ph.D. supervisor, had taken “ideas and methods” from her Ph.D. thesis and had then incorporated them into other works without giving her proper attribution.⁴²⁴ Rejecting the plaintiff’s contention that her state law claim for the plagiarism of her “ideas” was not preempted because they were specifically excluded from copyright protection, the court held that “scope and protection are not synonyms,”⁴²⁵ and therefore, the plaintiff’s “ideas” were within the broader scope of the “subject matter of copyright.”⁴²⁶

419. See *Baltimore Orioles*, 805 F.2d at 679.

420. 17 U.S.C. § 102(b) (2000). A common version of this principle is that copyright does not protect “ideas,” but only protects the “expression of the idea.”

421. Of course, § 301 only deals with preemption of *state* law. See 17 U.S.C. § 301(d) (“Nothing in this title annuls or limits any rights or remedies under any other Federal statute.”); see also *supra* note 31 (discussing § 301(d)).

422. *United States ex rel. Berge v. Bd. of Trs. of Univ. of Ala.*, 104 F.3d 1453 (4th Cir. 1997).

423. See *id.* at 1462-63. The statute was a general conversion statute, creating an action in tort for the owner of any personalty who suffered deprivation of or interference with the possession of that property. See ALA. CODE § 6-5-260 (LexisNexis 2005).

424. See *Berge*, 104 F.3d at 1455-56, 1463.

425. *Id.* at 1463.

426. See *id.* Without further analysis of this question, the court of appeals merely asserted that “the shadow actually cast by the Act’s preemption is notably broader than the wing of its protection.” *Id.*

The rationale for this conclusion was well stated in Judge Easterbrook's decision in *ProCD, Inc. v. Zeidenberg*.⁴²⁷ There, the court of appeals held that data embodied in a tangible medium of expression, while not itself eligible for copyright protection, was nonetheless within the "subject matter of copyright." Preemption of state claims was necessary to vindicate the congressional determination that these materials should be in the "public domain."⁴²⁸

A number of other courts have similarly concluded that ideas, or other elements of expression that cannot themselves be protected, nonetheless *do* fall within the broader "subject matter of copyright," thereby preempting state claims for them as well.⁴²⁹ A handful of

427. 86 F.3d 1447 (7th Cir. 1996); see also *supra* text accompanying notes 246-255 (discussing *ProCD*).

428. Judge Easterbrook explained:

One function of § 301(a) is to prevent states from giving special protection to works of authorship that Congress has decided should be in the public domain, which it can accomplish only if "subject matter or copyright" includes all works of a type covered by sections 102 and 103, even if federal law does not afford protection to them.

ProCD, 86 F.3d at 1453.

429. See, e.g., *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) ("[I]t is beyond dispute that compilations of facts are within the subject matter of copyright [C]opyright law seems to contemplate that compilations that consist exclusively of facts are potentially within its scope."); *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1311 (11th Cir. 2001) (finding that even non-copyrightable factual information was "within the subject matter of copyright"); *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 454-55 (6th Cir. 2001) (holding that ideas and concepts are within the "subject matter of copyright," because "the scope of the Copyright Act's subject matter is broader than the scope of the Act's protections"); *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841, 848 (2d Cir. 1997) (holding that, "where the challenged copying or misappropriation relates in part to the copyrighted broadcasts of the [uncopyrightable] games, the subject matter requirement is met as to both the broadcasts and the games"); *Keane v. Fox Television Stations, Inc.*, 297 F. Supp. 2d 921, 944-45 (S.D. Tex. 2004) (preempting state protection for ideas for a television show, even if they were too amorphous or were lacking in the originality necessary to qualify them for copyright protection) (alternative holding), *aff'd*, 129 F. App'x 874 (5th Cir. 2005); *Entous v. Viacom Int'l, Inc.*, 151 F. Supp. 2d 1150, 1159 (C.D. Cal. 2001) ("While 'ideas' do not enjoy copyright protection, courts have consistently held that they fall within the 'subject matter of copyright' for the purposes of preemption analysis."); *Fischer v. Viacom Int'l, Inc.*, 115 F. Supp. 2d 535, 540-41 (D. Md. 2000) ("[S]ubject matter of copyright . . . may, in fact, extend to include uncopyrightable material, such as ideas, particularly when those ideas are embodied in, or intermingled with, copyrightable material." (citation omitted)); *Endemol Entm't B.V. v. Twentieth Television Inc.*, CV 98-0608 ABC (BQRx), 1998 U.S. Dist. LEXIS 19049, at *8-*9 (C.D. Cal. Sep. 29, 1998) (holding that the ideas for a television program were within the scope of copyright, even if they were not entitled to copyright protection); see also *ATC Distrib. Group, Inc. v. Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700, 709, 713-14 (6th Cir. 2004) (concluding that claims for unfair competition, unjust enrichment, and misappropriation, based on defendant's unauthorized use in its catalog of plaintiff's uncopyrightable system for numbering car parts, were preempted); *Stanford v. Caesars Entm't, Inc.*, 430 F. Supp. 2d

decisions, however, have improperly concluded that ideas, information, and other non-copyrightable materials are *not* within the “subject matter of copyright,” and thus, protection for alleged taking or misuse of those materials is not preempted by § 301.⁴³⁰

This more restrictive view is illustrated by a recent Eleventh Circuit decision.⁴³¹ The plaintiff had developed an idea and business plan for an internet-based bank catering to the gay and lesbian communities. He shared these in confidence with several investors, who initially gave him an employment contract. He alleged that, after they discharged him, these investors stole his idea by continuing to operate the bank; he brought an action against them for misappropriation and conversion of that idea. The court of appeals

749, 755-57 (W.D. Tenn. 2006) (finding that claims for breach of rights of privacy and publicity, based on defendant's use of plaintiff's photograph and voice in previously recorded print and broadcast advertisements, were preempted because plaintiff's “claims [did] not involve the use or appropriation of Plaintiff's personal traits, but rather, the use of copyrightable advertisements featuring a fictional character portrayed by Plaintiff”); Pinnacle Pizza Co. v. Little Caesar Enters., Inc., 395 F. Supp. 2d 891, 899-901 (D.S.D. 2005) (finding that uncopyrightable ideas, concepts, and slogans, which were used in newspaper and radio advertisements, were within the subject matter of copyright).

430. See, e.g., U.S. Trotting Ass'n v. Chicago Downs Ass'n, 665 F.2d 781, 785 n.6 (7th Cir. 1981) (holding that a claim for misappropriation of property, based on the use of information contained on certificates taken from a copyright owner, was “not preempted . . ., because it does not fall within the realm of, federal copyright law”); Flaherty v. Filardi, 388 F. Supp. 2d 274, 290 (S.D.N.Y. 2005) (finding no preemption of a claim for misappropriation of ideas because it was premised on “violations of rights that are outside the ambit of copyright law”); DirecTV, Inc. v. Hoverson, 319 F. Supp. 2d 735, 736, 740 (N.D. Tex. 2004) (finding no preemption of a satellite broadcaster's state statutory claim for interception of communications, since “communications” are not within subject matter of copyright and “[t]he mere fact that plaintiff may be communicating content that is copyrightable, and the author of that content may have intellectual property rights under copyright law, is not sufficient” for preemption); Sw. Airlines Co. v. FareChase, Inc., 318 F. Supp. 2d 435, 440-41 (N.D. Tex. 2004) (holding that a claim for misappropriation of uncopyrightable information, including an airline's schedules and fares, was not preempted); Lattie v. Murdach, No. C-96-2524 MHP, 1997 U.S. Dist. LEXIS 3558, at *10 (N.D. Cal. Jan. 8, 1997) (asserting that “ideas do not come under the subject matter of copyright, and claims based upon them are not preempted” but also noting, however, that the “fact that the [plaintiff's] materials are a compilation that contain no original arrangement, selection or coordination does not necessarily prevent them from falling under the subject matter of copyright”); Mayer v. Josiah Wedgwood & Sons, Ltd., 601 F. Supp. 1523, 1532 n.16 (S.D.N.Y. 1985) (“[S]tate laws that protect ideas, as distinct from their expression, are without the subject matter of copyright.”).

The *Southwest Airlines, Co. v. FareChase, Inc.* decision, 318 F. Supp. 2d at 440, relied on *Feist* for its conclusion, where the Court had noted: “[p]rotection for the fruits of such research . . . may in certain circumstances be available under a theory of unfair competition.” 499 U.S. at 345. But, needless to say, this statement—in an opinion which did not deal at all with the issue of preemption—hardly indicates what those “certain circumstances” may be, and thus, it cannot support the assertion that information is outside the “subject matter of copyright” as that term is used in § 301(a).

431. Dunlap v. G&L Holding Group Inc., 381 F.3d 1285 (11th Cir. 2004).

reversed the district court's determination that this state court claim was preempted, concluding instead that this idea was outside the "subject matter of copyright." The court asserted that preemption could take place only with respect to works that are "substantively eligible for copyright protection."⁴³² This contrasts with *Murray Hill Publications, Inc. v. ABC Communications, Inc.*,⁴³³ where, as noted, the state claim was preempted although the plaintiff's tagline and artwork failed to meet the constitutional threshold of creativity. Here, the court concluded that preemption was inappropriate because ideas are not "works," and thus, the obstacle to their inclusion within the "subject matter of copyright" was one of "substantive ineligibility."⁴³⁴

At best, the court's distinction has reversed these obstacles to preemption. Since works that fail a constitutional test can never obtain federal protection, state law would be the only possible source of protection. In *Murray Hill*, the Sixth Circuit had effectively discerned a congressional determination by nonetheless including these insufficiently creative works within the subject matter of copyright for purposes of § 301—to deny all forms of protection to those works. By contrast, ideas are potentially eligible for federal protection—patent protection for some, and, in the absence of the

432. *Id.* at 1295-96 ("[B]ecause ideas are substantively excluded from the protection of the Copyright Act, they do not fall within the subject matter of copyright . . . [I]n order for a state-law claim to be preempted, it is necessary that the claim involve a work that is substantively eligible for copyright protection.").

The Eleventh Circuit recognized, see *id.* at 1295 n.18, that at least two other courts of appeals—the Sixth Circuit in *Wrench*, see *supra* note 404, and the Fourth Circuit in *Berge*, see *supra* notes 422-426 and accompanying text—have reached the contrary conclusion, by holding that ideas are within the "subject matter" of copyright. Although the Eleventh Circuit distinguished *Murray Hill*, it offered no explanation of why *Wrench* and *Berge* were wrongly decided, other than to assert that *Berge*'s conclusion was reached "with no analysis and no legal support." *Id.* Nor did the court even acknowledge the contrary conclusions by the Second Circuit in the *NBA* case, see *supra* note 358, or by the Seventh Circuit in *ProCD*, see *supra* text accompanying notes 427-428, that material which was denied protection by § 102(b) might nonetheless fall within the "subject matter" of copyright. Perhaps most remarkably, the Eleventh Circuit did not even cite, much less distinguish, its own precedent in *Lipscher*, see *supra* text accompanying note 234, where only three years earlier it had held that "even if [plaintiffs] publications are not copyrightable [because they consist of factual information], they are nevertheless within the subject matter of copyright." *Lipscher v. LRP Publ'ns.*, 266 F.3d 1305, 1311 (11th Cir. 2001).

433. See *supra* text accompanying notes 405-409.

434. See *Dunlap*, 381 F.3d at 1297. The court seemed to find it additionally significant that, because of the "simplicity" of the plaintiff's idea, there were only a limited number of forms of expression in which that idea could be embodied, and thus, under the merger doctrine, even the expression could not be protected. See *id.* at 1295. Not only is it not obvious that there might not have been numerous ways to describe and explicate the idea but also this observation seems irrelevant, since the plaintiff was not seeking protection for his expression, but only for his idea.

prohibition in § 102(b) of the Copyright Act,⁴³⁵ the possibility of some degree of copyright protection for others. However, Congress made the express decision in 1976 to deny copyright protection to "subject matter" that, as a constitutional matter, might have been eligible for some form of federal protection. Yet, the Eleventh Circuit's approach allows for the possibility of state protection as well for these kinds of ideas—a result which the preemption provision of § 301 seeks to foreclose. To the extent that a creation is statutorily ineligible for federal protection, Congress's intent is for it to be freely usable by everyone, and *not*, instead, for it to be subject to possible restrictions under varying state laws. *Murray Hill* reached the far sounder result, which advances Congress's objectives by including within the "subject matter of copyright" not only those works enumerated in § 102(a), but also other creative material that might have been protected by the Act.

One appropriate area for preemption under § 301 that has apparently not been the subject of reported decisions is state protection for copying of useful articles, such as an attractive design for a television set, for an automobile, or for clothing. In the legislative deliberations that culminated in the passage of the 1976 Act, extensive consideration was given to possible protection for useful articles or designs, and indeed, the Senate version of the bill that became law contained a chapter affording such protection.⁴³⁶ However, after the House-Senate conference, that provision was dropped.⁴³⁷ Instead, there are several sections in the 1976 Act that expressly deny protection for useful articles.⁴³⁸

435. 17 U.S.C. § 102(b) (2000); *see supra* text accompanying note 420.

436. The Senate bill contained Title II, "Protection of Ornamental Designs of Useful Articles." *See* S. 22, 94th Cong. §§ 201-235 (2d Sess. 1975).

437. *See* H.R. REP. NO. 94-1733, at 82 (1976) (Conf. Rep.), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5823; *see also* H.R. REP. NO. 94-1476, at 49-50 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5662-63 (detailing the history of the deletion of the design protection provision).

438. The Act defines "[p]ictorial, graphic, and sculptural works" to "include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned." 17 U.S.C. § 101. The Act also incorporated preexisting case law, most prominently *Mazer v. Stein*, 347 U.S. 201 (1954) (holding that artist or sculptor may obtain copyright protection for statuettes intended to be used as bases for lamps and sold commercially in bulk), by providing that "[t]his title does not afford, to the owner of copyright in . . . a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under the law . . . in effect on December 31, 1977." 17 U.S.C. § 113(b). A "useful article" is defined, in turn, as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." *Id.* § 101; *see* *Carol Barnhart Inc. v. Economy Cover Corp.*, 773 F.2d 411, 413-18 (2d Cir. 1985) (denying protection to styrofoam forms of human torsos that were used primarily by clothing stores

This legislative history makes clear that Congress recognized that useful articles were well within the “subject matter of copyright,” but that various policy considerations compelled the determination not to extend protection to them. As discussed below, state protection for copying of various tangible objects is preempted under the “conflicts preemption” doctrine unless the defendant has engaged in “passing off” or the conduct results in consumer deception.⁴³⁹ However, in addition, the same analysis that requires preemption of certain “unoriginal” or “uncreative” works, or for various facts or ideas, should compel preemption under § 301 of state protection against unauthorized copying of useful articles. By expressly withholding protection for creations within the broad “subject matter of copyright,” Congress evidenced an intent that those works should be free of restrictions that states might otherwise seek to impose on their use.⁴⁴⁰

2. Fixation in Tangible Medium of Expression

Unlike the originality and creativity requirements already discussed, the fixation requirement, which is found in § 102, is arguably not constitutionally mandated. It is not clear that the Copyright Clause in Article I, Section 8 of the Constitution would stand in the way of affording federal copyright protection to an extemporaneous and unrecorded speech, musical work, or choreographic work,⁴⁴¹ and so, arguably, even these examples of unfixed works could be within the “subject matter of copyright.”⁴⁴²

to display garments, and discussing the legislative history of the 1976 Act’s withdrawal of protection for utilitarian objects).

439. See *infra* text accompanying notes 463-476.

440. But cf. *U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F. Supp. 2d 158, 174 (S.D.N.Y. 2001) (declining to find preemption of claims for trade dress infringement, dilution, unfair competition, and tortious interference based on defendant’s alleged copying of the design elements of plaintiff’s clothing, and doing so, with respect to copyright infringement claim, without discussing of possible lack of copyright protection for design of garments).

441. See *United States v. Moghadam*, 175 F.3d 1269, 1274 (11th Cir. 1999) (“[W]e decline to decide . . . whether the fixation concept of Copyright Clause can be expanded so as to encompass live performances that are merely capable of being reduced to tangible form, but have not been. For purposes of this case, we assume *arguendo*, without deciding, that the above described problems with the fixation requirement would preclude the use of the Copyright Clause as a source of Congressional power for the anti-bootlegging statute.” (internal citation omitted)).

442. See *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58-59 (1884) (concluding that photographs were protectable as “writings”); see also SUBCOMM. ON PATENTS, TRADEMARKS & COPYRIGHTS, S. COMM ON THE JUDICIARY, 86TH CONG., STUDY NO. 3: THE MEANING OF “WRITINGS” IN THE COPYRIGHT CLAUSE OF THE CONSTITUTION 84-86 (Comm. Print 1960) (noting the liberal interpretation given to “Writings” by Congress and courts), reprinted in 1 STUDIES ON COPYRIGHT 62-64 (Copyright Soc’y of U.S.A. 1963).

The potential constitutional barrier to copyright protection for unfixed works is that the Copyright Clause only authorizes Congress to give copyright protection to the “[w]ritings” of an author. Therefore, a work that is not “fixed” might be outside the scope of protectable works.⁴⁴³ In any event, there has been a long-standing legislative judgment⁴⁴⁴ that unfixed works may not obtain federal protection.⁴⁴⁵

In part to fill this gap, a number of states have enacted legislation affording rights with regard to certain unfixed works, by prohibiting the unauthorized recording of sounds from live performances or the unauthorized distribution or sale of those recordings.⁴⁴⁶ However, the policies underlying § 301, although admittedly not its text, would counsel against such state protection.

During the period that the 1909 Act was in effect, although unfixed works were outside the scope of federal protection, state

443. See *United States v. Martignon*, 346 F. Supp. 2d 413, 423 (S.D.N.Y. 2004) (“While the category of ‘writings’ has expanded over time, it has never moved into the realm of unfixed works. The Framers of the Constitution created a system whereby only fixed works were entitled to Copyright protection . . .”), *vacated*, 492 F.3d 140 (2d Cir. 2007); see also *KISS Catalog v. Passport Int’l Prods.*, 350 F. Supp. 2d 823, 831 (C.D. Cal. 2004) (“If ‘writings’ continues to exist as a constitutional limit, live performances cannot be within the scope of that term.”), *vacated in part*, 405 F. Supp. 2d 1169 (C.D. Cal. 2005); David Nimmer, *The End of Copyright*, 48 VAND. L. REV. 1385, 1409 (1995) (“One basic bedrock provision in the interpretation of [the Copyright] clause has been that its reference to ‘Writings’ denotes fixation . . . [N]o respectable interpretation of the word ‘Writings’ embraces an untaped performance of someone singing at Carnegie Hall.” (internal citations omitted)). But see GOLDSTEIN, *supra* note 82 § 17.6.1, at 17:56 (“There is little doubt that the performances subject to protection [by the federal anti-bootlegging statute, see *infra* note 455,] are ‘writings’ in the constitutional sense for, beyond literalism, there is nothing in the mechanical act of fixation to distinguish writings from nonwritings.”).

444. See H.R. REP. NO. 94-1476 (1976), at 52, *reprinted in* 1976 U.S.C.C.A.N. 5659, 5665 (“As a basic condition of copyright protection, the bill perpetuates the existing requirement that a work be fixed . . .”); see also Copyright Act of 1909, ch. 320, § 4, 35 Stat. 1075, 1076 (superseded 1976) (“The works for which copyright may be secured under this title shall include all the writings of an author.”).

445. This doctrine is probably based in large part on these perceived constitutional obstacles, and is perhaps also based in part on pragmatic considerations of the difficulty of determining the identity and nature of the work that is the subject of protection, and of what would constitute infringement of that work.

446. See, e.g., ALA. CODE § 13A-8-81 (LexisNexis 2005); ARIZ. REV. STAT. ANN. § 13-3705 (West 2001); FLA. STAT. ANN. § 540.11 (West 2007); 720 ILL. COMP. STAT. ANN. 5/16-7 (West 2002); KAN. STAT. ANN. § 21-3748 (1996); LA. REV. STAT. ANN. § 14:223 (2004 & Supp. 2007); N.J. STAT. ANN. § 2C:21-21 (West 2005); N.M. STAT. ANN. § 30-16B-2 (LexisNexis 2004); N.C. GEN. STAT. § 14-433 (2005); OR. REV. STAT. § 164.869 (2005); 18 PA. CONS. STAT. § 4116 (West 1984 & Supp. 2007); S.C. CODE ANN. § 16-11-915 (2003); TEX. BUS. & COM. CODE ANN. § 35.93 (Vernon 2002); WASH. REV. CODE ANN. § 19.25.030 (West 2005); W. VA. CODE § 61-3-50 (LexisNexis 2005). One California statute specifically confers rights on the authors of works which have not been fixed. See CAL. CIV. CODE § 980(a)(1) (West 2007).

protection for unfixed works was freely available.⁴⁴⁷ The congressional decision in 1976 to continue to deny federal protection for unfixed works arguably might have been understood to reflect a determination to change the existing practice, and to assert that no form of protection, neither state nor federal, should be allowed for those works. However, because § 301 preempts only works that “come within the subject matter of copyright *as specified by sections 102 and 103*,”⁴⁴⁸ and because § 102 extends copyright protection only to works of authorship that have been “fixed in any tangible medium of expression,”⁴⁴⁹ the opposite is clearly true here: state protection for unfixed works has been expressly reserved.⁴⁵⁰

In light of the comparatively sweeping scope of preemption under § 301—for example, of any work that falls within the broad “subject matter” of copyright, even though the Constitution and/or the 1976 Act preclude affording protection to that work⁴⁵¹—the congressional decision to continue to preserve common law copyright protection for unfixed works, while explicable historically, is analytically anomalous and even curious. To use an illustration: If a customer at a nightclub at which a jazz musician is performing an extemporaneous musical work makes an unauthorized tape recording of that work, and if the musician does not also simultaneously make, or authorize someone else to make, a recording of the work, the work

447. See *Estate of Ernest Hemingway v. Random House, Inc.*, 23 N.Y.2d 341, 346 (N.Y. 1968) (“[T]he underlying rationale for common law copyright (i.e., the recognition that a property status should attach to the fruits of intellectual labor) is applicable regardless of whether such labor assumes tangible form.”); see also *Zacchini v. Scripps-Howard Broad. Co.*, 351 N.E.2d 454, 457 (Ohio 1976) (“These statutory requirements [in the Copyright Act of 1909, giving protection only to a ‘writing’] do not restrict the common law protection for unpublished works It has been suggested, for example, that non-tangible oral expression should be protected by the common law, even though these are outside the statute.”), *rev’d on other grounds*, 433 U.S. 562 (1977); cf. *King v. Mister Maestro, Inc.*, 224 F. Supp. 101 (S.D.N.Y. 1963) (finding that Martin Luther King’s “I Have A Dream” speech was not “published” and was entitled to common law copyright protection); *Columbia Broad. Sys., Inc. v. Documentaries Unlimited, Inc.*, 248 N.Y.S.2d 809, 812-13 (N.Y. Sup. Ct. 1964) (finding that a broadcaster did not lose common law copyright protection against an unauthorized recording of his news announcement).

448. 17 U.S.C. § 301(a) (2000) (emphasis added).

449. 17 U.S.C. § 102(a).

450. Any doubt that unfixed works are not preempted is made clear by § 301(b)(1):

Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to . . . subject matter that does not come within the subject matter of copyright as specified by [§§] 102 and 103, *including works of authorship not fixed in any tangible medium of expression*.

17 U.S.C. § 301(b)(1) (emphasis added).

451. See *supra* text accompanying notes 416-417, 424-428.

has not been “fixed.”⁴⁵² Although that customer has made an unauthorized “reproduction” of the work,⁴⁵³ there will be no federal right or remedy under the copyright laws. However, the musician may have recourse for that act of infringement under state law. If, on the other hand, the musician had also recorded, or authorized the recording of, the work, the “fixation” requirement would be satisfied, and the musician could now assert a claim only under federal law.⁴⁵⁴

This outcome suffers from two failings. First, permitting a state claim in the first situation is inconsistent with two of the goals of the preemption provision of the 1976 Act. Instead of a uniform federal rule, the existence and nature of the musician’s rights and remedies will continue to be governed by the varying laws of fifty different jurisdictions. In addition, the duration of protection will be potentially eternal, rather than the “limited term” provided for under federal copyright law.⁴⁵⁵ Second, allowing the alternative of state protection

452. See 17 U.S.C. § 101 (“A work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”).

453. See *id.* § 106(1). The owner of a *copyrightable* work has the exclusive right to “reproduce the copyrighted work in copies or phonorecords.” Of course, here the work is not copyrightable.

454. Professor Goldstein asserts—but without citing any authority, and also while recognizing that there are arguments to the contrary—that “an actor, singer or musician whose performance is being simultaneously fixed, but is not being transmitted, will have no rights under the [1976] Act against someone in the audience who copies his performance.” 1 GOLDSTEIN, *supra* note 82, § 2.4, at 2:46. In the absence of contrary authority, I would take the opposite position, as being consistent with the goals discussed in the text.

455. In fact, as part of the Uruguay Round Agreements Act, Congress enacted two “anti-bootlegging” provisions, creating quasi-copyright protection against the unauthorized fixation, transmission, or distribution of a live *musical* performance. Pub. L. No. 103-465, §§ 512-513, 108 Stat. 4809, 4974-76 (1994) (codified as amended at 17 U.S.C. § 1101, 18 U.S.C. § 2319A (2000)). This legislation provides both for civil remedies, see 17 U.S.C. § 1101, and enforcement through criminal prosecution. See 18 U.S.C. § 2319A. However, unlike the core copyright statute, *there are no duration limitations* under these federal statutes.

Since these newly-created prohibitions are not contained in the Copyright Act, they do not form the basis under § 301 for the preemption of any state protection. Indeed, the civil portion expressly provides that “[n]othing in this section may be construed to annul or limit any rights or remedies under the common law or statutes of any State.” 17 U.S.C. § 1101(d). Therefore, parallel state protection—which may well be of both a different scope and a different duration than these federal rights—still remains available. Because of this continued, and potentially inconsistent, state protection, and also because this federal statute does not extend protection to similar uses of unfixed works other than musical performances (for example, these provisions do not extend to the unauthorized recording of an extemporaneous dance, pantomime act, or comedy sketch,) the absence of incentives to fix the work, which step would be necessary to obtain federal protection, still exists; thus, the analysis in the text, criticizing the availability of state protection, remains valid.

for unfixed works is inconsistent with society's interest in expanding the number and quality of works of authorship. The continued existence of common law copyright gives the musician less incentive to "fix" the work, and thus, there is less likelihood that others will have access to it.

For all its deficiencies, this outcome clearly seems contemplated by § 301.⁴⁵⁶ However, recognition of these failings would

Five reported decisions, by four courts, have considered challenges to the constitutionality of the federal anti-bootlegging statute. *Compare* United States v. Martignon, 429 F.3d 140, 149-50 (2d Cir. 2007) (upholding the constitutionality of 18 U.S.C. § 2319A because it is not a "copyright law," rather just "copyright-like," and noting that "Congress exceeds its power under the Commerce Clause by transgressing limitations of the Copyright Clause only when (1) the law it enacts is an exercise of the power granted Congress by the Copyright Clause and (2) the resulting law violates one or more specific limits of the Copyright Clause"), United States v. Moghadam, 175 F.3d 1269, 1274, 1280 (11th Cir. 1999) (upholding the constitutionality of 18 U.S.C. § 2319A while declining to decide whether fixation is constitutionally required in order to obtain protection under the Copyright Clause, and holding "that the Copyright Clause does not envision that Congress is positively forbidden from extending copyright-like protection under other constitutional clauses, such as the Commerce Clause, to works of authorship that may not meet the fixation requirement inherent in the term 'Writings'"), and *KISS Catalog, Ltd. v. Passport Int'l Prods., Inc.*, 405 F. Supp. 2d 1169, 1176-77 (C.D. Cal. 2005) (upholding the constitutionality of 17 U.S.C. § 1101 upon reconsideration of an earlier decision), *with* *KISS Catalog v. Passport Int'l Prods.*, 350 F. Supp. 2d 823, 829-37 (C.D. Cal. 2004) (holding that 17 U.S.C. § 1101 was unconstitutional because it failed to satisfy the fixed duration requirement of the Copyright Clause and also is a "copyright-like" statute which could not be enacted pursuant to the Commerce Clause), and *United States v. Martignon*, 346 F. Supp. 2d 413, 426-28 (S.D.N.Y. 2004) (holding that 18 U.S.C. § 2319A is unconstitutional because it fails to satisfy both the writings and fixed duration requirements of the Copyright Clause, and because it is a "copyright-like" statute, it also could not be enacted pursuant to the Commerce Clause), *vacated*, 492 F.3d 140 (2d Cir. 2007). See generally Susan M. Deas, *Jazzing Up the Copyright Act? Resolving the Uncertainties of the United States Anti-Bootlegging Law*, 20 HASTINGS COMM. & ENT. L.J. 567 (1998) (discussing 17 U.S.C. § 1101 and suggesting Congressional clarification); Adam Giuliano, Note, *Steal This Concert? The Federal Anti-Bootlegging Statute Gets Struck Down, But Not Out*, 7 VAND. J. ENT. L. & PRAC. 373 (2005) (arguing that the anti-bootlegging statutes are constitutional and complement copyright regulation); Joseph P. Merschmann, Note, *Anchoring Copyright Laws in the Copyright Clause: Halting the Commerce Clause End Run Around Limits on Congress' Copyright Power*, 34 CONN. L. REV. 661 (2002) (asserting that the statutes represent Congress's attempts to expand its copyright power); Andrew B. Peterson, Note, *To Bootleg or Not to Bootleg? Confusion Surrounding the Constitutionality of the Anti-Bootlegging Act Continues*, 58 OKLA. L. REV. 723 (2005) (discussing Congress's authority for the anti-bootlegging statutes); Shue, Casenote, *United States v. Martignon: The First Case to Rule that the Federal Anti-Bootlegging Statute is Unconstitutional Copyright Legislation*, 60 U. MIAMI L. REV. 131 (2005) (agreeing with the district court's *Martignon* decision).

456. See H.R. REP. NO. 94-1476, at 131 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5747. ("[S]ection 301(b) explicitly preserves common law copyright protection for one important class of works: works that have not been 'fixed in any tangible medium of expression.' . . . [Unfixed works] would continue to be subject to protection under State statute or common law until fixed in tangible form.").

dictate the desirability of congressional reexamination of the preservation of common law copyright for claims for unfixed works.

III. NON-STATUTORY AND CONSTITUTIONAL BASES FOR PREEMPTION

As previously emphasized, there is a strong federal interest in uniform national treatment of copyright—uniformity both in the works that are protectable and what rights the copyright owner will have therein, and in what is *not* protectable.⁴⁵⁷ The scope of protection conferred, as well as the areas left unprotected and the rights not afforded, are the product of extensive debates and multiple compromises, and they constitute a deliberately crafted balance of interests. They reflect legislative judgments about the rights of authors and owners of copyrights, and instances in which the interests of users and potential creators of new works should prevail over those of the copyright owner. These judgments will be severely impaired if state law can provide a cause of action for, and thus, can prohibit, the same conduct that federal law leaves unprotected, or alternatively, if state law limits the rights and protections afforded by federal law.

Preemption of state law does not occur only pursuant to express provisions in federal statutes such as § 301. Preemption will also occur when the U.S. Constitution or other federal legislation evidences the Framers' intent or a congressional intent to occupy fully the area in question, and to leave no room for supplemental state regulation, or when there is a fundamental incompatibility between state and federal law.⁴⁵⁸ This principle has important implications for copyright preemption, and it may require the displacement of claims

457. This uniformity is important to advance federal goals, reflected in the Copyright Clause, of promoting the creation and expanding the range of works available to the public. *See supra* text accompanying notes 23-24.

458. The Supreme Court has explained:

Under the Supremacy Clause, the enforcement of a state regulation may be preempted by federal law in several circumstances: first, when Congress, in enacting a federal statute, has expressed a clear intent to pre-empt state law; second, when it is clear, despite the absence of explicit preemptive language, that Congress has intended, by legislating comprehensively, to occupy an entire field of regulation and has thereby "left no room for the States to supplement" federal law; and finally, when compliance with both state and federal law is impossible, or when the state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress."

Capital Cities Cable, Inc. v. Crisp, 467 U.S. 691, 698-99 (1984) (internal citations omitted); *see also Crosby v. Nat'l Foreign Trade Council*, 530 U.S. 363, 372 (2000) (restating this test and noting that "[w]e will find preemption where it is impossible for a private party to comply with both state and federal law").

under state law even if they would not run afoul of § 301.⁴⁵⁹ Regardless of whether a state claim is preempted by that provision, preemption should also occur if recognition of the state claim would impede the panoply of goals advanced by the copyright laws.⁴⁶⁰ Conversely, it also impermissibly interferes with federal interests and goals when state law attempts to limit the rights conferred on copyright owners by federal law; here too, the supremacy of federal interests should preempt such inconsistent state regulation.

One potential response to this call for enhanced preemption on federal constitutional or other nonstatutory grounds is that the formulation in § 301 is indicative of a legislative determination of the appropriate balance between federal and state law. Arguably, any further curtailment of state claims by judicial application of these other grounds could be viewed as overreaching.

An easy answer is that, under the Supremacy Clause, the Constitution, and federal law passed thereunder, including the Copyright Act, trumps inconsistent state law.⁴⁶¹ Therefore, allowing a state claim inconsistent with constitutional norms to proceed would be impermissible, regardless of the presence or absence of a specific federal preemption statute.⁴⁶² In response, it might be argued that the coexistence of state and federal copyright for the majority of the history of the Republic undercuts the suggestion that permitting some range of state claims would be unconstitutional. However, because common law copyright only extended to works not distributed to the public, even the pre-1976 system contemplated that works that were exploited commercially could only obtain federal protection. Furthermore, that protection was subject to all of the formalities and

459. See *Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1335 (Fed. Cir. 2003) (Dyk, J., concurring in part, dissenting in part) (“The test for preemption by copyright law . . . should be whether the state law ‘substantially impedes the public use of the otherwise unprotected’ material.” (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157 (1989))).

460. See Kathleen K. Olson, *Preserving the Copyright Balance: Statutory and Constitutional Preemption of Contract-Based Claims*, 11 COMM. L. & POL’Y 83, 86 (2006) (concluding that the “current application of [§] 301 preemption is not sufficient to protect long-standing principles in the copyright law that are at risk from the increased use of contracts to displace default copyright laws,” and calling for a “return to Supremacy Clause preemption”).

461. See U.S. CONST. art. VI, cl. 2 (“This Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land . . .”).

462. For example, in *Geier v. American Honda Motor Co.*, the Supreme Court held that, even if a state law cause of action was not barred by a specific statutory preemption provision, the existence of “gaps” in such a provision “does not foreclose (through negative implication) ‘any possibility of implied [conflict] pre-emption.’” 529 U.S. 861, 869 (2000) (quoting *Freightliner Corp. v. Myrick*, 514 U.S. 280, 288 (1995)).

limitations of the federal copyright regime. The constitutional tradeoff—federal protection, of finite duration, but only for certain works and affording only certain rights and remedies—is impermissibly altered by inconsistent state protection for works within the realm of copyright.

A second, and better, answer is that the goals and values reflected in the Copyright Clause, and the added goal of not impairing the federal objectives of the 1976 Act, should inform *both* the scope of the statutory prescription of § 301 *and* of non-statutory “conflict preemption.” Thus, for example, not only is it improper to afford copyright protection of infinite duration when the Constitution contemplates that authors will receive protection for “limited times,” indeed, it is also improper to permit states to afford protection to intellectual property falling within the broad realm of copyrightable materials, when Congress has determined *not* to afford those rights; it is also improper for the states to abridge rights conferred by the federal Copyright Act of 1976. In all of these situations, inconsistent state treatment of copyrightable materials would undercut the primacy of federal regulation and would thus undermine vital federal interests.

There are a number of different bases for making a judgment that the availability and scope of protection for copyrightable materials should be determined exclusively by federal law, including the Constitution, a particular statute, or the fabric of federalism. A principal theme of this Article is that allowing state law claims to proceed in the face of that judgment interferes with the important goal of national uniformity, and thus, those claims must be foreclosed. The most direct support for the preemption, on federalism and constitutional grounds, of attempts by states to afford rights with respect to works within the ambit of, but eventually unprotected by, the federal intellectual property regime is found in the *Sears-Compco* line of cases.

In two 1964 decisions, *Sears, Roebuck & Co. v. Stiffel Co.*⁴⁶³ and *Compco Corp. v. Day-Brite Lighting, Inc.*,⁴⁶⁴ the Supreme Court held that, “when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article.”⁴⁶⁵ In both cases, the plaintiff had asserted unfair competition claims, based solely on the defendant’s copying of articles that were not covered by design or

463. 376 U.S. 225 (1964).

464. 376 U.S. 234 (1964).

465. *Id.* at 237.

mechanical patents.⁴⁶⁶ The Court strongly rejected the prosecution of those state law claims,⁴⁶⁷ concluding that allowing states to afford protection to works that, under federal law, were in the public domain was foreclosed because such protection would “clash[] with the objectives of the federal patent laws.”⁴⁶⁸ Even in the absence of a statutory prohibition like § 301 of the 1976 Act,⁴⁶⁹ federal interests and federal policy are the exclusive determinants of permitted and prohibited conduct,⁴⁷⁰ and it is “‘familiar doctrine’ that the federal policy ‘may not be set at naught, or its benefits denied,’ by the state law.”⁴⁷¹

Since 1964, the Supreme Court has had several occasions to review the non-statutory preemption of the patent or copyright laws.⁴⁷² In its most recent such decision, *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,⁴⁷³ the Court acknowledged that “[t]he pre-emptive sweep of our decisions in *Sears* and *Compco* has been the subject of

466. See *id.* at 234-35; *Sears*, 376 U.S. at 226.

467. See *Sears*, 376 U.S. at 231. The Court indicated that a different result might have been obtained if the defendants had engaged in “palming off” or had failed “to take precautions to identify their products as their own.” *Compco*, 376 U.S. at 238.

468. *Sears*, 376 U.S. at 231 (“Just as a State cannot encroach upon the federal patent laws directly, it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws.”); cf. *Coker v. Purdue Pharma Co.*, No. W2005-02525-COA-R3-CV, 2006 WL 3438082, at *10 (Tenn. Ct. App. Nov. 30, 2006) (holding that, under the Supremacy Clause, state antitrust and unfair competition claims, based on the defendants’ conduct before the Patent Office, were preempted by federal patent laws).

469. The *Sears* and *Compco* decisions predated the passage of § 301 by more than a decade. And, in these cases the clash was between state law and the federal *patent* regime, under which there has never been a statutory preemption provision. See *Compco*, 376 U.S. at 234; *Sears*, 376 U.S. at 225.

470. See *Compco*, 376 U.S. at 237 (“To forbid copying would interfere with the federal policy, found in Art. I, § 8, cl. 8 of the Constitution, and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.”); see also *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152 (1989) (“[O]ur past decisions have made clear that state regulation of intellectual property must yield to the extent that it clashes with the balance struck by Congress in our patent laws.”).

471. *Sears*, 376 U.S. at 229 (quoting *Sola Elec. Co. v. Jefferson Elec. Co.*, 317 U.S. 172, 173 (1942)).

472. See, e.g., *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 260, 266 (1979) (holding that federal patent law did not preempt state law permitting enforcement of a contract requiring payment of royalties to patent applicant, even after patent application was rejected); *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 474 (1974) (holding that state trade secret protection is not preempted by operation of the federal patent laws); *Goldstein v. California*, 412 U.S. 546, 571 (1973) (reaffirming *Sears* and *Compco* and holding that federal copyright law, which until 1972 did not give protection to sound recordings, did not preempt criminal conviction under state statutes for 1971 acts of “record piracy” and “tape piracy”); see also *supra* notes 70-72 (further discussing *Goldstein*).

473. 489 U.S. 141 (1989).

heated scholarly and judicial debate,”⁴⁷⁴ and it sought to make clear that some state regulation of intellectual property was not foreclosed.⁴⁷⁵ However, in affirming a decision by the Florida Supreme Court that had struck down a state statute that purported to confer protection for unauthorized copying of the designs of boat hulls beyond that available under the patent laws, the Court endorsed its *Sears-Compco* holding reasserting that states could *not* give protection to intellectual creations that did not qualify for that protection under federal law.⁴⁷⁶

Although *Sears* and *Compco* involved preemption by the patent regime, similar concerns are raised by state laws that interfere with the copyright laws. Not only is the constitutional authority to enact both bodies of law found in the same provision in Article I, but also their goals of advancing America’s intellectual and cultural resources by giving exclusive rights of limited duration as a reward for creativity are similar. Thus, it is not surprising that the *Sears* and *Compco* decisions made multiple references to the copyright laws.⁴⁷⁷ There is no reason to believe that the Supreme Court’s recognition of the primacy of federal interests over inconsistent state law to delimit the scope of patent rights does not apply equally to the copyright regime.

474. *Id.* at 154.

475. The Court referred, for example, to its statement in *Sears* that states could make actionable conduct which would mislead consumers about the source of a product. *See id.* (quoting *Sears*, 376 U.S. at 232); accord *supra* text accompanying note 467. In *Kewanee Oil Co. v. Bicron Corp.*, the Court articulated a different standard for nonstatutory preemption:

States may hold diverse viewpoints in protecting intellectual property to invention as they do in protecting the intellectual property relating to the subject matter of copyright. The only limitation on the States is that in regulating the area of patents and copyrights they do not conflict with the operation of the laws in this area passed by Congress

416 U.S. 470, 479 (1974).

476. *Bonito Boats*, 489 U.S. at 156 (“[W]e believe that the *Sears* Court correctly concluded that the States may not offer patent-like protection to intellectual creations which would otherwise remain unprotected as a matter of federal law.”).

477. For example, the Court asserted that “the patent system is one in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition.” *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230-31 (1964). To support this proposition, the Court added in a footnote:

The purpose of Congress to have national uniformity in patent *and* copyright laws can be inferred from such statutes as that which vests exclusive jurisdiction to hear patent *and* copyright cases in federal courts, 28 U.S.C. § 1338(a), and that section of the *Copyright Act* which expressly saves state protection of unpublished writings but does not include published writings, 17 U.S.C. § 2.

Id. at 231 n.7 (emphasis added).

The Ninth Circuit's ill-advised decision in *Wendt v. Host International*⁴⁷⁸ illustrates the serious problems created by permitting a state law claim in an area also occupied by the federal copyright regime. The conduct challenged—the alleged unauthorized use of the plaintiffs' likenesses in animatronic figures—may have occurred both inside and outside of California. Yet, that state's right of publicity laws were invoked to determine the plaintiffs' rights not only in California, but also in Missouri and Ohio, in the face of contrary rights conferred on the defendants by the federal Copyright Act.⁴⁷⁹ Regardless of whether § 301 expressly preempted the plaintiffs' claim,⁴⁸⁰ it is destructive of the important goal of national uniformity to allow a single state, by purporting to recognize rights and to afford protection for certain activities, to impose duties or foreclose the exploitation of intellectual property rights throughout the United States. Under the doctrine of conflict preemption, the nature and scope of those rights should have been determined solely under one, uniform federal body of law.⁴⁸¹

The *Capital Cities Cable, Inc. v. Crisp* case,⁴⁸² by contrast, demonstrates the proper judicial response to a state statute—here Oklahoma's—that had the effect of limiting federally afforded rights and thus, resulted in an improper interference with the balance of interests carefully crafted by federal law. The 1976 Act made several changes in the legal treatment previously given, under the 1909 Act, to the unauthorized retransmission of distant broadcast (i.e., over-the-air) signals by cable television companies.⁴⁸³ On the one hand, the 1976 Act changed prior law by defining such retransmission as a "performance,"⁴⁸⁴ and thus, included control over that conduct among

478. 50 F.3d 18, 1995 WL 115571 (9th Cir. 1995) (unpublished table decision), *rev'd*, 125 F.3d 806 (9th Cir. 1997); *see also supra* text accompanying notes 312-318 (further discussing *Wendt*).

479. *See Wendt v. Host Int'l, Inc.*, 197 F.3d 1284, 1288 (9th Cir. 1999) (Kozinski, J., dissenting from order rejecting suggestion for rehearing en banc) ("Plaintiffs are using California law to stop Host from displaying a copyrighted work in Kansas City and Cleveland. Why California should set the national standard for what is a permissible use of a licensed derivative work is beyond me.").

480. As argued above, it should. *See supra* text accompanying notes 312-318.

481. *See Vault Corp. v. Quaid Software Ltd.*, 847 F.2d 255, 269-70 (5th Cir. 1988) (concluding that a breach of licensing agreement by the owner of a copyright in computer software, based on defendant's unauthorized copying and modification of that software, was preempted by the *Sears-Compco* line of cases); *see also supra* text accompanying notes 269-278 (further discussing *Vault*).

482. 467 U.S. 691 (1984).

483. *See id.* at 709-10.

484. *See id.* at 710, 710 n.14. In *Teleprompter Corp. v. Columbia Broadcasting System, Inc.* and *Fortnightly Corp. v. United Artists Television, Inc.*, which were decided

the exclusive rights of the copyright owner.⁴⁸⁵ On the other hand, the 1976 Act also limited the “exclusive” nature of that right, by creating an elaborate system for the compulsory licensing of that right to cable companies.⁴⁸⁶

One statutory condition of these “licenses” was that the cable company had to refrain from deleting or altering any commercial advertising in the broadcast signals being retransmitted.⁴⁸⁷ Oklahoma law broadly prohibited the advertisement of alcoholic beverages.⁴⁸⁸ The Oklahoma Attorney General issued an opinion that the retransmission by cable companies of out-of-state alcoholic beverage advertising would subject them to criminal prosecution—thus, as a practical matter, barring them from transmitting any programming containing such advertisements.⁴⁸⁹ The Supreme Court unanimously concluded that Oklahoma law was preempted, since it interfered with two goals of the copyright regime⁴⁹⁰—promoting broad availability to the public of copyrighted materials and permitting copyright owners to obtain rewards for the use of their works.⁴⁹¹ Although the goal of the Oklahoma law may have been laudable, the Court correctly decided that it had to yield to the superior federal interests embodied in the federal legislation. Achievement of those federal goals would have been thwarted if the cable companies had to comply with state regulation.⁴⁹²

under the Copyright Act of 1909, the Court had held that such retransmission was not actionable, since the cable companies’ behavior was passive (akin to viewing the program), and did not constitute a “performance.” See *Teleprompter Corp. v. Columbia Broad. Sys., Inc.*, 415 U.S. 394, 405 (1974); *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 399-400 (1968).

485. See 17 U.S.C. § 106(4) (2000) (copyright owner of motion pictures and other audiovisual works has exclusive right to “perform the copyrighted work publicly”); see also 17 U.S.C. § 101 (defining “perform”).

486. See 17 U.S.C.A. § 111 (West 2005 & Supp. 2007).

487. See *id.* § 111(c)(3).

488. *Capital Cities*, 467 U.S. at 694 (noting that the source of this prohibition was the Oklahoma constitution and implementing statutes).

489. See *id.* at 695.

490. The Court’s opinion made no mention of § 301(a) as a basis for preemption, relying solely on a “conflicts preemption” analysis. See *id.* at 698-99.

491. In fact, at least three copyright-related interests were adversely affected by state law—the interests of the copyright owners in being able to distribute (license) their works and obtain royalties therefor, of the cable companies in being able to perform (retransmit) those works, and of the public in being able to view the works. See *id.* at 710-11.

492. Of course, it is possible for cable systems to comply with the Oklahoma ban by simply abandoning their importation of the distant broadcast signals covered by the Copyright Act. But such a loss of viewing options would plainly thwart the policy identified by both Congress and the FCC of facilitating and encouraging the importation of distant broadcast signals. See *id.* at 711.

The principle that state law should be preempted based on the supremacy of the federal copyright regime, when that state law abridges rights conferred by federal law on copyright owners, is also illustrated in *Orson, Inc. v. Miramax Film Corp.*⁴⁹³ In an attempt, in part, to protect operators of smaller movie theaters, Pennsylvania had enacted legislation requiring distributors of motion pictures to expand the distribution of movies. After the grant of a maximum of six weeks of exclusive first-run rights, the statute mandated that distributors of the movie had to license other theaters in the same geographic area.⁴⁹⁴ In an en banc opinion, the Third Circuit correctly held that this state statute was preempted by the Copyright Act, because it improperly limited the exclusive right of distribution conferred by the Act on copyright owners.⁴⁹⁵ Here, § 301(a) preemption was probably not at issue, since state law was not conferring a right “equivalent to” federal copyright, but rather was withdrawing some of those rights.⁴⁹⁶ Nonetheless, the Pennsylvania statute was properly preempted, since the state’s abridgement of the distributors’ rights was in fundamental conflict with the federal conferral of those rights.⁴⁹⁷ The statute irreconcilably interfered with the incentive to create and innovate

493. 189 F.3d 377 (3d Cir. 1999) (en banc).

494. See 73 PA. CONS. STAT. ANN. § 203-7 (West 1993).

495. See *Orson*, 189 F.3d at 398 (“[T]he state may not mandate distribution and reproduction of a copyrighted work in the face of the exclusive rights to distribution granted under § 106.”).

496. Section 301(a) provides that “all legal and equitable *rights* that are equivalent to any of the exclusive rights within the general scope of copyright . . . are governed exclusively by this title.” 17 U.S.C. § 301(a) (2000) (emphasis added). Here, the “rights” involved were those of the copyright owners to control the distribution of their works—which federal law granted, and which state law limited—and arguably of the second-run movie distributors, to obtain distribution rights at an earlier stage than they would have had absent the state statute. The Third Circuit stated that, “[a]lthough both [express preemption and conflict preemption] may be applicable, because our analysis more closely parallels that used in cases applying conflict principles, we proceed on that ground.” *Orson*, 189 F.3d at 383.

497. In an earlier challenge to the Pennsylvania statute, *Associated Film Distribution Corp. v. Thornburgh*, the Third Circuit had rejected a claim that the statute was facially inconsistent with the federal Copyright Act, but remanded the action for a determination of its actual effect on the copyright owners’ rights and incentives. 683 F.2d 808, 816-17 (3d Cir. 1982). After the district court upheld the statute, the Third Circuit affirmed, applying its rule that required it to adhere to the earlier panel decision upholding the statute. *Assoc. Film Dist. Corp. v. Thornburgh*, 800 F.2d 369, 375-76 (3d Cir. 1986), *affg.*, 614 F. Supp. 1100 (E.D. Pa. 1985). Because the *Orson* decision was decided by the Third Circuit sitting en banc, the court was not similarly bound by its earlier decision. *Orson*, 189 F.3d at 380; see also *Allied Artists Pictures Corp. v. Rhodes*, 679 F.2d 656, 658, 662-63 (6th Cir. 1982) (rejecting the assertion that an Ohio statute outlawing “blind bidding” by movie exhibitors, instead mandating that motion picture suppliers screen their films for exhibitors prior to negotiations or bidding, was preempted by the Copyright Act of 1976).

underlying the federal copyright regime, as well as with the balance of interests, between copyright owners and others, established by the Copyright Act.⁴⁹⁸

Far more questionable, then, was the Fifth Circuit's opposite resolution of this conflict in *Rodrigue v. Rodrigue*.⁴⁹⁹ The case involved a dispute between the creator of copyrighted paintings and his former wife—both of whom had resided in Louisiana, a community property state—to determine her rights in those paintings.⁵⁰⁰ At issue was whether Louisiana law, which provided that “property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse” is community property,⁵⁰¹ and also that “[e]ach spouse owns an undivided one-half interest in former community property and its fruits and products,”⁵⁰² was preempted by its conflict with § 201 of the 1976 Act, which provides that “[c]opyright

498. Similar concerns were raised in *Association of American Medical Colleges v. Cuomo*, 928 F.2d 519 (2d Cir. 1991). The plaintiff AAMC was the copyright owner and administrator of the Medical College Admission Test (MCAT), the test that is required for applicants to virtually all American medical schools. *Id.* at 521. AAMC's longstanding policy was not to reveal questions or answers from prior MCAT exams; in response, New York passed a statute—the Standardized Testing Act (STA)—which would effectively have required, *inter alia*, their public disclosure. *See id.* at 521-22. AAMC asserted that the statute was preempted because it conflicted with the protections given to AAMC by the 1976 Act—the exclusive right to publish, copy, and distribute (and presumably the right *not* to distribute) its materials. *Id.* at 523. The Second Circuit framed the issue as “whether the disclosure of the MCAT facilitated by the STA infringes on the copyrights held by AAMC. If the STA facilitates infringement, it conflicts with the federal Copyright Act and is preempted.” *Id.* The court recognized that, under the Supremacy Clause, preemption was appropriate if the “state law ‘stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.’” *Id.* at 522-23 (quoting *Darling v. Mobil Oil Corp.*, 864 F.2d 981, 986 (2d Cir. 1989)). Although the district court had found that the requisite infringement took place, and thus concluded that the New York statute was preempted, the court of appeals reversed and remanded for further consideration of the “fair use” defense to determine whether, under the facts, it would shield the State from copyright infringement. *See id.* at 525-26; *cf.* *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1198, 1205-06 (N.D. Cal. 2004) (dismissing an action by website operators alleging tortious interference resulting from their contractual relations with their Internet service providers (ISPs) based on the defendant's complaints to those ISPs of plaintiffs' allegedly infringing activities on the grounds that allowing the state law claim would act as an obstacle to the accomplishment of Congress's goals in enacting the Digital Millennium Copyright Act).

499. 218 F.3d 432 (5th Cir. 2000). *See generally* Dane S. Ciolino, *How Copyrights Became Community Property (Sort Of): Through the Rodrigue v. Rodrigue Looking Glass*, 47 LOY. L. REV. 631, 633 (2001) (characterizing *Rodrigue* opinion as “egregiously wrong”); Joseph P. Reid, Comment, *Rodrigue v. Rodrigue: Another Copyright and Community Property Case Worth-y of Controversy*, 75 NOTRE DAME L. REV. 1183 (2000) (discussing the district court decision and its implications on community property law).

500. *Rodrigue*, 218 F.3d at 433-44.

501. LA. CIV. CODE ANN. art. 2338 (1985).

502. *Id.* art. 2369.2 (Supp. 2007).

in a work protected under this title vests initially in the author or authors of the work.”⁵⁰³ After first holding that the application of these statutory provisions to copyrighted works was not preempted by § 301,⁵⁰⁴ the court of appeals also rejected a conflict preemption argument by inappropriately narrowing the rights conferred by the Act on the creator of a copyrighted work, thus permitting the conclusion that federal law did not “ineluctably conflict” with Louisiana’s matrimonial property law.⁵⁰⁵ This result was achieved in

503. 17 U.S.C. § 201(a) (2000).

504. See *Rodrigue*, 218 F.3d at 439-40. The court correctly noted that § 301 operates only when the state law governs rights that are “equivalent to any of the exclusive rights within the general scope of copyright” *Id.* at 439 (citing 17 U.S.C. § 301(a)). But, because the court concluded that the 1976 Act was silent on the right to receive economic benefits from ownership of the copyright, it held that a state law which gave half of those benefits to the author’s former spouse was not “equivalent to” any of the statutorily conferred rights. See *id.* at 435-36. In order to reach this conclusion, the Fifth Circuit was forced to give an excruciatingly tortured reading to the language of § 201(a). The court stated that although § 201(a) “vests” the bundle of five rights which are specified in § 106 in the author, that former provision did not give him all of the attributes of “ownership.” *Id.* It reached this conclusion, notwithstanding the fact that § 201 is captioned “Ownership of Copyright,” and that the second sentence of § 201(a) provides that “[t]he authors of a joint work are *coowners* of copyright in the work.” 17 U.S.C. § 201(a) (emphasis added). And, this conclusion is contrary to the Supreme Court’s statement that “[t]he Copyright Act of 1976 provides that copyright ownership ‘vests initially in the author or authors of the work.’” *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989) (quoting 17 U.S.C. § 201(a)).

Even more bizarrely, the court reached the remarkable conclusion that “none of these [five] rights [in § 106] either expressly or implicitly include the exclusive right to enjoy income or any of the other economic benefits produced by or derived from copyrights.” *Rodrigue*, 218 F.3d at 435. It is downright foolish to suggest that the 1976 Act confers no right on the copyright owner to exploit his copyright commercially. Thus, for example, does it make sense to say that the Act gives him the right to distribute copies of the work, but that the statute is genuinely silent on whether he has the right to obtain economic benefits therefrom? What will he do, merely display the copyright certificate in a frame on the wall of his living room? That conclusion is also inconsistent with the language of the Act. For example, § 106 provides that the owner of copyright “has the exclusive rights to do *and to authorize* any of the following.” 17 U.S.C. § 106 (emphasis added). The logical assumption is that the copyright owner will be able to obtain some financial reward for giving that authorization. Finally, § 201(d) allows the owner of copyright to transfer any of the rights specified in § 106, in whole or in part—and presumably for consideration.

The *Rodrigue* court also asserted, “[o]ur conclusion is buttressed by the explicit clarification in § 301(b)(3) . . . that the preemptive effect does not extend beyond the subject matter of the Act.” *Rodrigue*, 218 F.3d at 440. As discussed above that provision, which is merely the mirror side of § 301(a), in fact adds nothing. See *supra* text accompanying notes 52-53.

505. See *Rodrigue*, 218 F.3d at 436, 440. The outcome was similar to one previously reached by a California court, albeit on somewhat different grounds, in *Worth v. Worth*, 241 Cal. Rptr. 135, 139-140 (Cal. Ct. App. 1987). See generally Debora Polacheck, *The “Un-Worthy Decision: The Characterization of a Copyright as Community Property*, 17 HASTINGS COMM. & ENT. L. J. 601 (1995) (arguing for preemption in the context of community property law); Roberts, Note, *Worthy of Rejection: Copyright as Community*

part by recognizing the author-spouse's exclusive management control over the works,⁵⁰⁶ and by giving to the non-author-spouse a one-half interest only in the economic benefits from exploitation of the works.⁵⁰⁷

However, this conflict preemption analysis still fails. There were several respects in which federal interests might have been significantly affected by dividing the copyright ownership and depriving the author of one-half of the benefits therefrom, which would have argued for the displacement of the state law.⁵⁰⁸ Even though the court of appeals' Solomonic solution nominally gave the author-spouse the exclusive right to sell or license the works, would-be purchasers or licensees might still be hesitant to enter into such transactions because of the lurking interests of another party, who might subsequently assert claims against them, including possibly exercising the right granted by § 203 to terminate transfers and licenses.⁵⁰⁹ And, more importantly, the incentive of many authors to create new works—an objective expressly found in the Copyright Clause of the Constitution as the basis for authorizing copyright protection—might well be diminished by the author's realization that the financial benefits of that creativity will automatically be cut in half by state law.⁵¹⁰

Property, 100 YALE L. J. 1053 (1991) (discussing the constitutionality of treating copyright ownership as community property).

506. See *Rodrigue*, 218 F.3d at 437 ("The author-spouse alone holds the elements of *usus* and *abusus*—a combination that comprises the exclusive rights to possess, use, transfer, alienate, and encumber the copyright as he sees fit—free of any management, consent, or participation of the non-author spouse.").

507. See *id.* at 439; see also LA. CIV. CODE ANN. art. 2369.2 (Supp. 2007).

508. The court of appeals relied on the Supreme Court's statement in *Hisquierdo v. Hisquierdo*, 439 U.S. 572 (1979) that "[s]tate family and family-property law must do 'major damage' to 'clear and substantial' federal interests before the Supremacy Clause will demand that state law be overridden," for the proposition that preemption is less appropriate where the state has legislated with respect to marital rights and property. *Rodrigue*, 218 F.3d at 581. But, in fact, in *Hisquierdo*, the Court held that benefits payable to an employee under the federal Railroad Retirement Act of 1974 were *not* subject to division under California's community property law. See *Hisquierdo*, 439 U.S. at 590. Indeed, Justice Blackmun's opinion noted that "on at least four prior occasions this Court has found it necessary to forestall such an injury to federal rights by state law based on community property concepts." *Id.* at 582. *Rodrigue* made no attempt to distinguish *Hisquierdo*.

509. The grant of a transfer or license of copyright may be terminated by the author or, if he has died, by his heirs, during a five-year period, beginning at the end of thirty-five years from the date of the execution of the grant. 17 U.S.C. § 203(a).

510. The court recognized, but then gave short shrift to, two incentives which arguably might be diminished by application of Louisiana's law—to create new works, and to exploit existing works. *Rodrigue*, 218 F.3d at 441-42. As to the latter possibility, the court concluded that, even after a divorce, most authors would want to continue to

In summary, it is true that, in most situations, a non-statutory, or conflicts, preemption analysis will reach the same result as under § 301.⁵¹¹ However, because this approach to preemption involves the consideration of some interests that are not fully accounted for under the statutory standard for preemption, courts should not feel that their task is necessarily complete simply because they have undertaken the analysis required by § 301. Instead, non-statutory analysis may also be required to balance the full range of interests

maximize the economic value of their copyrights, even if those benefits had to be shared with a former spouse, “rather than cutting off their noses to spite their faces by letting copyrighted works languish.” *Id.* at 442. As to the former possibility—the disincentive to creation—the court simply asserted:

[W]e decline to assume globally that the commercial and economic interests of spouses *during* marriage are so at odds that one spouse would be disinclined to create copyrightable works merely because the economic benefits of his endeavors would inure to the benefit of their community rather than to his separate estate.

Id. Apart from the fact that this conclusion was the product of intuition rather than evidence, the court failed to account for the strong disincentive which will flow from the prospective application of its rule. After this decision, an author, particularly one in a “fragile” marriage, who is mindful of the rule announced by this court, might well be more reluctant to create new works, cognizant of the fact that he or she would continue to have to share half of the economic benefits with a former spouse, even if the marriage were terminated.

Furthermore, the court completely ignored the post-divorce disincentive problem—one which becomes particularly acute in a situation like Rodrigue’s. Many of his paintings were based on a common character, mostly notably the so-called “blue dog,” which was first developed during the marriage, and thus, became “community property” under the court’s holding. *Id.* at 433. An entirely new painting, created after the divorce, but based on that character, would most likely be a derivative work. Even if the court’s solution did not require Rodrigue first to get permission from his former wife to create that work—and that is not clear—he would certainly be aware that he probably would have to pay her a portion of the sales price of that new painting. Thus, Rodrigue’s incentive to create new works based on pre-divorce themes, as opposed to having to develop new characters, would be substantially altered.

511. See, e.g., *Carson v. Dynergy, Inc.*, 344 F.3d 446, 457 (5th Cir. 2003) (concluding that “there is no colorable claim that conflict preemption applies [to a conversion claim for the refusal to return a tangible copy of a copyrighted work] as Texas’s protecting rights in physical property in this way does not ‘obstruct[] the accomplishment of the full purposes and objectives of the Copyright act’” (quoting *Brown v. Ames*, 201 F.3d 654, 659 (5th Cir. 2000))); *Brown*, 201 F.3d at 659-61 (holding that a misappropriation claim, based on defendants’ unauthorized use of plaintiffs’ *persona* to promote the sales of unlawfully made cassettes and CDs of musical works and sound recordings on which plaintiffs retained copyright, was not subject to non-statutory preemption since state law would have allowed a *valid* holder or licensee of copyright in works to use plaintiffs’ names and likenesses to promote sales of those works, goals of federal copyright system, and state law regime were not in conflict); *Gulfstream Park Racing Ass’n v. Tampa Bay Downs, Inc.*, 294 F. Supp. 2d 1291, 1304-05 (M.D. Fla. 2003) (rejecting a preemption claim and noting that state laws regulating wagering and telecasts of horseraces “do not stand as an obstacle to the accomplishment of Congress’ full purpose and objectives” in enacting copyright laws), *aff’d*, 479 F.3d 1310 (11th Cir. 2007).

and values of the federal and state governments in the copyright area.⁵¹² As the Supreme Court recognized in *Sears* and *Compco*, states are forbidden to create or deny rights that would yield outcomes inconsistent with federal policy.⁵¹³ Therefore, when state protection “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress,”⁵¹⁴ preemption under the Supremacy Clause is mandated.

IV. CONCLUSION

The aspiration of the drafters of § 301 of the Copyright Act—to create a provision that would express the scope of preemption “in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation . . . , and to avoid the development of any vague borderline areas between State and Federal protection”⁵¹⁵—has unfortunately not been realized. Instead, inconsistency and incoherency have flourished.

This is partly because the drafters of any statute always lack the prescience to anticipate the variety of legal issues that will be presented by application of the statute to a multitude of factual situations. Although some uncertainty about the scope of preemption of state copyright is probably inevitable, this uncertainty could be reduced by increased judicial attention to the objectives underlying the statutory provision. In particular, § 301 is intended to advance uniformity in the scope of copyright protection by bringing the vast majority of copyright law within a single, *federal* regime. This goal requires yielding to the judgments made by Congress about the kinds of copyright-like works for which protection will (and will not) be available; the rights available (and not available) to the owners of these forms of intellectual property; the actions that will (and will not)

512. See *Davidson & Assocs. v. Jung*, 422 F.3d 630, 638-39 (8th Cir. 2005) (finding that a breach of contract action was not barred by the conflict preemption doctrine); see also *supra* notes 282-288 (discussing *Davidson & Assocs.*); cf. *Roy Exp. Co. v. Columbia Broad. Sys., Inc.*, 503 F. Supp. 1137, 1150-52 (S.D.N.Y. 1980) (holding that an unfair competition claim arising from the pre-1978 copying of motion pictures was not preempted, because the claim required evidence of commercial immorality and defendant's bad faith), *aff'd*, 672 F.2d 1095, 1105-06 (2d Cir. 1980). But see *Schuchart & Assocs. v. Solo Serve Corp.*, 540 F. Supp. 928, 946-48 (W.D. Tex. 1982) (reinforcing a dubious refusal to apply preemption under § 301 with non-statutory analysis, and concluding that “[p]laintiffs’ action [did] not unreasonably interfere or conflict with federal copyright policy”).

513. See *supra* text accompanying notes 463-472.

514. *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262 (1979) (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)).

515. H.R. REP. NO. 94-1476, at 130 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5746 (emphasis added).

constitute an infringement of those rights; and finally, the remedies that will (and will not) be available in the event of infringement. Express invocation of a *strong presumption that federal law will control*, and that *state law must yield in arguably close situations*, should simultaneously advance the policies underlying preemption and advance the goal of certainty spoken of so fondly thirty years ago.

